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COVER STORY

PROFILES **INDEPENDENT LEGENDS.** Their restaurants span the continent from Washington State to Maine. They are in small towns and big cities alike, with staffs from several dozen to more than a thousand. Some were born into the business while others made a practical choice, and saw opportunity when it knocked. Whether running large or small operations, several points stand out among the nine restaurateurs in this issue. All run their businesses with the simple credo of hard work and dedication to quality, service, and value. **123**

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Cover photograph by Walt Whitaker.

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COVER STORY **THE TOP 100**

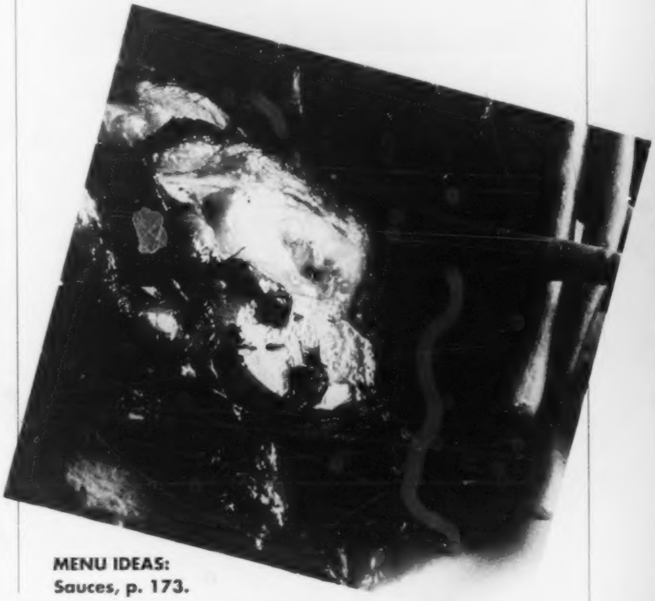
RB's annual study of the leading restaurant chains in the U.S. not only provides a revealing picture of our industry's outlook, but also offers an exclusive report that includes compilation of statistical data prepared especially for *Restaurant Business* by Technomic. In addition, this year we will be featuring a special report on Taco Bell, one of the fastest-growing companies. The secret to its success? Company officials have rediscovered the importance of price structuring, and the fast-food Mexican chain has been rewarded by big numbers from its host of entrees for under a dollar.

MARKET SEGMENT REPORT **CASUAL-THEME**

With more emphasis on quality and service, casual-theme restaurant operators have continued to go beyond their former trendy, "meat-market" atmospheres and offer more substantial fare. Operators in this segment feel their niche is still a viable one, shifting marketing emphasis to a more local or regional focus.

DRAFTS **CALIFORNIA VARIETALS**

The quality renaissance in California wines continues unabated, and smart operators are pouring profitably.



MENU IDEAS:
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The Children's Hour

With more stringent enforcement of child labor laws, operators need to be more careful about work schedules.

By Kevin Farrell

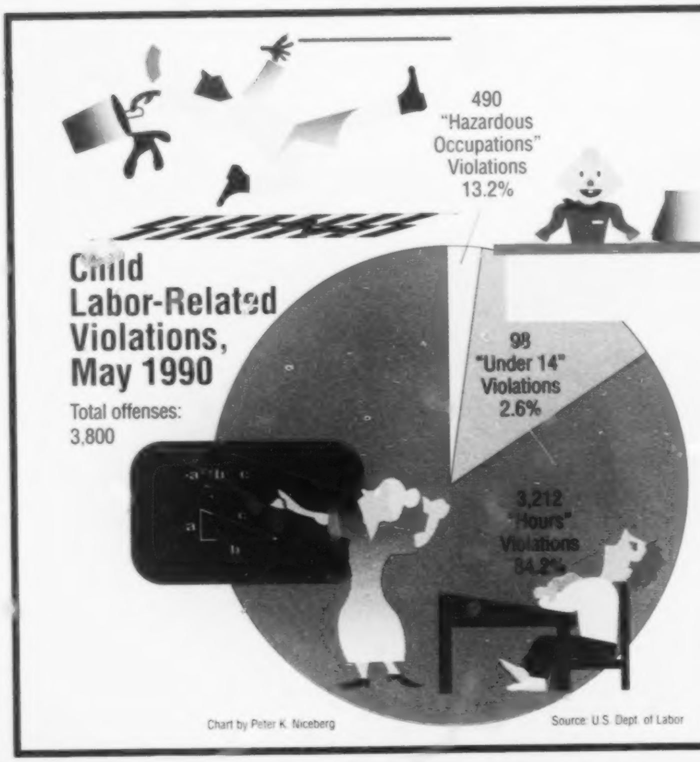

Chart by Peter K. Niceberg

Source: U.S. Dept. of Labor

Joe Angel doesn't consider himself a criminal. But Angel, the founder and president of Restaurant Management Northwest Inc., a 28-unit Burger King franchisee based in Portland, OR, is facing a total of $319,000 in federal fines. His company stands accused of violations against the Fair Labor Standards Act, which, among other things, prohibits children (defined, for this purpose, as aged 14 to 17) from working more than a certain number of hours.

Angel was caught in the federal Department of Labor's crackdown, called "Operation Child Watch," a stepped-up enforcement program aimed at employers who illegally employ underage workers, fail to comply with regulations governing child labor, or don't adequately fill out paperwork on children who work.

Labor investigators descended on Angel's Oregon units following Burger King's filing of a lawsuit against the Department of Labor in May, accusing it of various violations. To Angel, the action was politically motivated. "I have been made a scapegoat," he says, his anger rising even six months after the initial investigation. "This is a politically driven investigation and I'm caught in the middle. It's going to cost me and my company a lot of money, and the end result is going to be that fewer young kids will have jobs, at least in my Burger Kings."

TWO SIDES. Angel's story crystalizes a debate that is currently occurring at the federal level, in many state governments, and throughout the restaurant industry concerning the use of young people, aged 14 to 17, who work in restaurants. On one side is the Department of Labor, led by Secretary Elizabeth Dole. Her department is making a name for itself with the child labor crackdown, an action that many consider ill-informed and one that surprises some Bush supporters who were looking forward to a further relaxation of regulatory enforcement from agencies such as Dole's. Many state labor administrators, educators, and some businesspeople have joined her effort.

On the other side, arrayed against Dole, is much of the business community, in particular representatives of the service industries, where many children's hours violations have been uncovered. The retail, textile, grocery, and restaurant industries have been especially hard hit by the stepped-up enforcement of these child labor laws, for the simple reason that they employ the greatest numbers of teenagers.

The restaurant industry has borne the brunt of the investigation, both in terms of fines and in bad publicity. In one of the Labor Dept.'s most recent press releases concerning Operation Child Watch—as the initiative is known—88% of the violations were uncovered in the employment categories "fast food," "restaurants," or "concessions." Among the violators are

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The restaurant industry has borne the brunt of federal investigation, in terms of fines and bad publicity.

some of the biggest employers in the restaurant industry: McDonald's, Ogden Foods, Taco Bell, Burger King, Kentucky Fried Chicken, Dairy Queen, Hardee's, Arby's, Little Caesar Enterprises, Wendy's, Pizza Hut, and Grandy's all stand accused of abuses. The list goes on, and includes smaller chains and independents as well.

BAD PRESS. Much to the chagrin of the industry, the violations have been accompanied by a flood of press releases and publicity from the Department of Labor. During both of the Department's two major sweeps this year, in March and June ("Operation Child Watch I and II"), headlines across the country blared that the restaurant industry was illegally employing teenagers, and working them too hard or too long. And, while much of that publicity centered on the large national chains, especially Burger King, whose franchisees had the largest number of violations during the March sweep, many restaurants were affected.

This isn't an issue that just affects the big chains, or their franchisees," says the National Restaurant Association's senior director of government affairs Mark Gorman, who is strongly opposed to the tactics Secretary Dole has used and has testified in Congress against increased penalties for violators. "This is a major difficulty in our industry."

And it is becoming a potentially more serious problem. People like Gorman are pressing for labor law reform that would "more accurately reflect the real-life conditions of teenage employment in the U.S. today," he says. At the same time, Secretary Dole, along with some members of the House and Senate Labor committees, are pressing for increased penalties and stricter enforcement of existing laws. Some states—most notably New York—are also trying to further restrict the work options available to school-age children.

But this is a question with many sides, and it appears that black-and-white answers are hard to come by. "Is there a right or wrong here?" says one industry observer. "I'm not so sure. The truth, as it so often does, likely lies somewhere in the middle." Adds Johanna Schneider, a spokesperson for Secretary Dole: "This is a question of public policy, and there are many potential answers. The federal government's position is clear for now: Violating the laws concerning child labor laws is a serious problem."

DO THE RIGHT THING. Indeed, finding the right thing to do in this case is difficult, and there is certainly no lack of opinion on what needs to be done. Some in the restaurant industry have lashed out at Dole, whose highly visible presence and penchant for seeking favorable publicity has led to charges of playing politics with the welfare of children. Says Gorman: "This is self-righteousness run amok. It's a big political game to see who can express the most concern about so-called 'child welfare'."

"The real story is that she's running for president, and this is one way to generate publicity," says John Merritt, senior vice president of public relations for Hardee's of Rocky Mount, NC, a chain also caught in both the March and June sweeps. "She wouldn't be doing this if she couldn't get the publicity. If there isn't a public relations spin on it, Dole isn't interested."

That's a somewhat cynical approach that members of Secretary Dole's staff understandably don't share. "The fact is that there are numerous abuses taking place in a variety of industries," responds Schneider. "For whatever reasons, there was the perception that the Labor Department would not enforce the law. When we came in, Dole sat down and looked at the situation and decided that this was an area where we could make a difference, where we could stop some of the abuses taking place at the expense of children in the workplace."

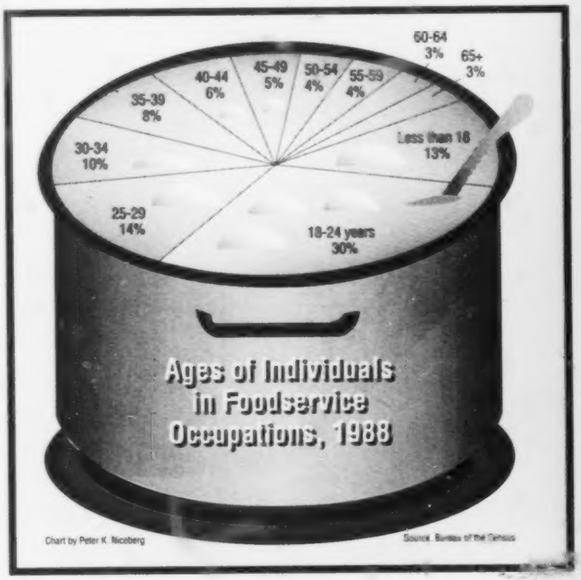

Chart by Peter K. Niceberg

Source: Bureau of the Census

Some operators and observers think that the restaurant industry has been unfairly singled out. "Sure there's resentment in the industry, and for good reason," says Gorman.

"The federal government does nothing to educate businesses about the law, there's a great deal of confusion between state and federal laws, restaurants feel trapped between the jurisdictions, and, above all, the law is irrelevant to the real workings of foodservice establishments today," he adds. "Of course we're angry, because we've been singled out."

Absolutely not," counters Schneider. "It is clear from our data that the service industries—which don't require a

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While restaurateurs press for labor law reform, government officials seek stricter penalties.

high level of skill or a lot of training—employ many children. We haven't singled out restaurants, but the industry employs many children so we must look closely at it. We also looked very closely at the retail, grocery, dry cleaning, jewelry manufacturing, and textile industries, because our research shows that those are the places where children work. It is just a fact of life. This is our job."

"We're seeing kids falling asleep in school because they're out too late at night working," says Kathleen M. Do, a spokesperson for the New York State Department of Labor. New York, at the behest of Governor Cuomo, has also stepped up its enforcement of the child labor laws over the last 18 months. "We have paid special attention to the garment and textile industries in New York City, but the fast-food industry is clearly a major offender," adds Do.

Cuomo, in agreement with many New York educators, is currently pressing the state legislature for stricter state laws governing the work time of 14- to 17-year-olds. Currently, under one of the most permissive state laws in the U.S., children can work up to 48 hours a week. "We want to see that changed," says Do. "While it is important for children to learn responsibility and have jobs, we clearly see a drop in grades when kids work that full a work schedule. It is a Herculean task, and most children aren't up to it. We hear from them that employers pressure them into working later hours."

Do's point goes right to the heart of the debate concerning child labor. What is the appropriate work load for people between the ages of 14 and 17? What kinds of work should they be permitted to do? What role does the employer have in making sure that an employees' school work is not suffering?

CAUGHT IN THE SQUEEZE. "Restaurants, especially fast-food establishments, are caught in a terrible labor squeeze, and 14- to 17-year-olds are an important part of the solution," admits Bill Cross, head of the Oregon Restaurant Association. "We want some liberalization of the law at the federal level, because it is outdated. And most of our members who got in trouble with the labor department did so because there was a lot of confusion over what was right."

With the exception of the 1970s, more teenagers are in the workforce now than at any time since World War II, according to a report from the Educational Testing Service titled "Earning and Living: The Academic Achievement of High School Juniors With Jobs," published in 1989. A 1984 study showed that 70% of all employees in the fast-food restaurant industry are between the ages of 14 and 17 and 66% are female. "There are a lot of kids out there who want to work and who need to work in our restaurants," says Merritt of Hardee's. "I'm afraid that these kinds of laws will discourage employers from hiring kids."

Know The Law

The majority of offenses uncovered by the Department of Labor in 1990 concerned the hours worked by 14- and 15-year-olds. In virtually every state, a work permit is required for people of this age to work in a restaurant or fast-food establishment. In addition, there are numerous other prohibitions concerning the employment of 14- and 15-year olds. They may not:

- work more than three hours per school day;
- work a total of more than 18 hours during the school week;
- work more than eight hours on each nonschool day;
- work more than 40 hours during nonschool weeks;
- work after 7:00 p.m. or before 7:00 a.m. during the school year.

There are also limits on what kinds of work this age group may perform. Among the prohibited tasks: cooking (with certain exceptions); baking; operating meat-cutting or grinding equipment; and loading or unloading rail cars.

Because many restaurateurs who have been found in violation of the law often plead ignorance of the law, it is a good idea to get the facts. You can contact your local Dept. of Labor office, or write to The U.S. Dept. of Labor, Public Information Division, Washington, DC 20210. It is also imperative that you contact your state labor bureau to find out the possible conflict between federal and state regulations.

In general, federal regulations are superceded by state law, unless the federal law is less strict. If you have special questions, contact an attorney or your state restaurant association.

Employers like me are caught in the middle," adds Angel, speaking from his own experience. "Is it up to me to check kids' grades? I frankly don't see that as part of my responsibility." For his part, Angel defends his employment practices. Most of the violations Labor investigators uncovered in his Burger King units were in hours worked. According to federal law, 14- and 15-year-olds cannot work after 7:00 p.m. "Obviously, that is problematical because 7:00 p.m. comes right in the middle of the dinner hour, when we are very busy," says Angel.

We try to get the kids out on time but sometimes they have to wait to get on to our electronic system to punch out. It can be 10 to 15 minutes after 7:00 before they punch out. Each time that

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Some states now require work permits that can be revoked if a teenaged worker's school grades drop.

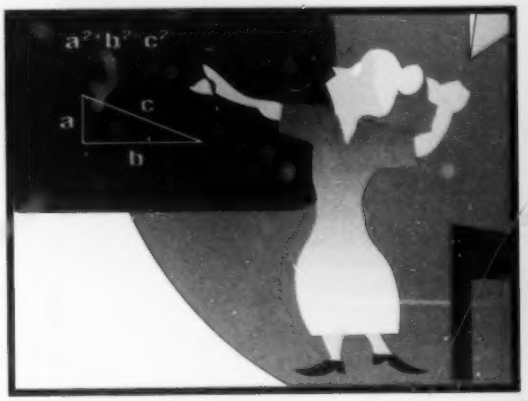
happens, it is considered a violation." Angel was also cited for bad recordkeeping and disregard for definitions of what is—and isn't— the "school year."

Regardless of the specifics in Angel's case, critics of the federal law say that the 7:00 p.m. rule, as well as other parts of the law, are unrealistic. "The people who enforce the law never stopped to see what happens in restaurants," says Gorman. Counters Schneider of the Dept. of Labor: "That is the law as it is written. Our job is only to enforce it.

Secretary Dole is anxious to tighten the law and to add further penalties and restrictions against offenders. She suggested in recent Congressional testimony that maximum penalties for repeat violators be increased to $10,000 from the current $1,000. In addition, she called for limiting 16- and 17-year-olds to a 28-hour work week during school and requiring any minors still in high school to obtain work permits signed by a doctor, parent, and teacher. She is strongly backed by a number of influential members of Congress, including Donald Pease (D-OH), Charles Schumer (D-NY), and Tom Lantos (D-OH), who support tighter child labor laws.

ELIMINATING JOBS. "Those changes would be a disaster, pure and simple," James M. Coleman, general counsel for the Foodservice and Lodging Institute, a Washington, DC-based lobbying group, told Congress. "If such penalty provisions were to be enacted, the vast majority of the Institute's members would eliminate the employment of anyone under the age of 16, and possibly under the age of 18. If the law is amended to reflect the Secretary's interests, it is certain that teenagers are going to lose jobs."

At the same time, the restaurant industry is anxious to see the laws changed so that they more accurately reflect the realities of the workplace today. "Some of these laws are 40 years old," says Merritt of Hardee's. "They just don't make sense in today's environment." Gorman of the NRA as well as representatives of Burger King, McDonald's, and Domino's recently testified at hearings held by the House Subcommittee on Labor Standards against the proposals to beef up the laws concerning children in the workplace. Dole also testified, calling for increased penalties and criminal sanctions for first-time offenders. At the same hearing, she said: "Providing our young people with the skills and education needed for a lifetime of productive work will be a top priority throughout my term."



"It's hard to believe that's true when they're talking about increasing the penalties and, in effect, making it riskier to hire young people," says Cross of the Oregon group. Adds Angel: "I know I'm less likely to hire teenagers when their violations may get me fined and even put in jail. I guess the authorities just don't want us to hire kids."

While the debate is raging in certain quarters, some states have set about to quietly seek compromise and reasonable solutions. In Indiana, restaurateurs were facing tougher child labor legislation two years ago, but the state association was able to work out a compromise in which teenagers (including 17-year-olds) are now required to obtain special work permits that can be revoked if school grades drop.

In a new spirit of cooperation between educators, employers, and parents, the Indiana Restaurant Association has inaugurated "Education First," a program designed to increase communication between the parties involved. Participating restaurants post a "creed" outlining the restaurant's commitment to its employees' education, receive stickers for the establishment, and send postcards to the employee's school telling it that the teenager is an employee there and that the employer should be informed if grades slip or there is another work-related problem. In addition, the program offers scholarships to deserving employees. "We need to be good employers, to not interfere with kids' education," says Steve Madigan, CEO of Indianapolis-based Ultra Steak Inc., a nine-unit Sizzler franchisee.

But programs like Indiana's aren't going to be enough, says Merritt of Hardee's. "We're trying to develop a program that we can institute systemwide, although it will be difficult." But Merritt says it can't be a program that Hardee's, Domino's, or Burger King institutes alone. "We need an industry-wide response, and we need leadership from the leaders in the industry, but we're not seeing it," he says. Merritt wishes that McDonald's, for example, would take a stronger position and bring the other chains along with it.

While the question of teen labor is unlikely to be settled soon, the federal Department of Labor as well as numerous state enforcement agencies will continue the ongoing crackdown. At the same time, restaurateurs and foodservice operators will have to contend with an ever-shrinking labor pool, and teenagers will come under increasing economic and familial pressure to work. The situation appears to be on a collision course, and solutions remain difficult to come by. "This is a problem that isn't going away, and we have to find a solution," concludes Madigan. ■

MARKET SEGMENT REPORT

UPSCALE TAKE-OUT

Restaurants don't have to add seats to add sales.

By Carol Casper

ROOM SERVICE

In Chicago, Room Service delivers with specially equipped vans.

If you can't get customers to come to you, why not send the food out to them? This is the strategy that has led a growing number of upscale operators to explore the opportunities offered by take-out.

The foodservice industry as a whole is suffering from a slow-growth period, but of any category, the fine-dining segment has probably been hit the hardest. While one response has been to downscale prices and casualize concepts to try to lure back business, another has been to look for new growth avenues. Take-out and delivery are among those capturing greatest attention.

Jeff Senior of Skipjack's Restaurants, one of many Boston establishments to target off-premise, explains, "Sales have dropped off, but one area that is still growing as a percentage is take-out."

Traffic counts for off-premise dining grew 3% from 1988 to 1989 while on-premise visits in the same period stayed nearly flat, according to CREST data provided by NPD Group, Park Ridge, IL. The good news is that there does seem to be a rebound. New CREST figures show that from June 1989 through May 1990, on-premise traffic for both midscale and upscale operations was up, advancing 2% and 5% respectively, while off-premise also grew, 5% for midscale restaurants and 2% for upscale operators.

CREST figures also indicate that major upscale chains are achieving the greatest success in the take-out arena. Off-premise business for this segment advanced 12% in the period, compared to a 2% gain in on-premise traffic.

In all, take-out accounted for 17% of traffic at midscale restaurants in 1989, and 7% for upscale establishments.

Customers are clamoring for the speed, ease, and convenience of take-out and delivery, while making it clear that they hunger for more choices than the old staples of pizza, Chinese, and fast food.

Peter G. Rosenberg, executive chef of Kingwood, TX-based Delicatexas Food Creations & Catering, notes a trend to more home entertaining. "The yuppies went out and had a great time in restaurants in the last decade,"

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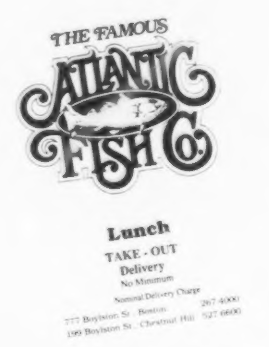
Rosenberg comments. "They also bought great homes, and now want to enjoy them by staying in to entertain." But rather than preparing their own menus for dinner parties, they are turning to take-out.

ENSURING QUALITY. One challenge to upscale operations is insuring that food quality and service travel well enough to justify the hefty checks. Another consideration is that offering take-out could be perceived as downgrading to an upscale restaurant's image.

Delivery services that feature tuxedoed waiters trained in proper service help image-conscious restaurants participate in the take-out trend in a way that befits their style. These services also take over the logistical and marketing headaches by distributing menu books, advertising, and taking the orders, as well as making deliveries.

Davio's Restaurant and Cafe is one of more than a dozen Boston restaurants that has contracted with a service in that city called Dining In. It now sends out 15 to 20 orders a night through the agency, plus another four to five meals from its Brookline Cafe.

Checks per order average $15 to $25, but $100 deliveries are not unusual, owner Steve DiFillippo notes. The menu is drawn partly from Davio's formal dining room and partly from the Cafe. The majority of customers choose gourmet pizzas and pastas from the Cafe menu, he adds, but about 30% go for pricier entrees.



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A variety of upscale restaurants are now offering food to go.

In addition to deliveries, Davio's averages five or six walk-in take-out orders nightly in Boston and 10 or more each evening from Brookline, plus a few take-out lunches each day.

Dining In's service, offered only at night, did not cut into take-out business, DiFillippo notes, explaining, "Take-out is generally a different kind of customer—someone who lives around the block, is driving by, or wants to save the $5 delivery charge." He also does not believe it detracts from on-premise business. "Our deliveries average $1,500 to $2,500 a week in the winter, and $700 to $1,200 in the summer. That works well, because the winter period when our Dining In business is up we lose our outside seating, so delivery helps us balance our business."

Customers want more choices than pizza and Chinese.

PARTNERSHIP. For the Blue Note Cafe in Boise, ID, partnership with a delivery service has diminished walk-in take-out, but overall has boosted sales, and has taken nothing away from inside business, says owner Mike Baron. "We average 75 to 100 delivery orders monthly now, plus another 10 to 15 still in take-out, a service we had never marketed anyway," Baron notes.

Per-person check averages run about $12.50, somewhat lower than in the restaurant, "because we can't send out alcoholic beverages, and because often people do tend to order a single item or salad instead of a complete meal." About three-quarters of the sit-down menu is available through Entree Express, its take-out service.

"We get a surprising number of orders from guests in hotels, including places with restaurants and even some that have room service," Baron notes. "I don't think it's a reflection on their food, but simply answers a need of business travelers who get tired of eating in the same place every night."

DELIVERY SERVICES. The number of restaurants using these services will no doubt rise, as the concept has really only begun to spread in the last couple of years. There are probably 150 such delivery firms, estimates Peter Hetherington, vice president of

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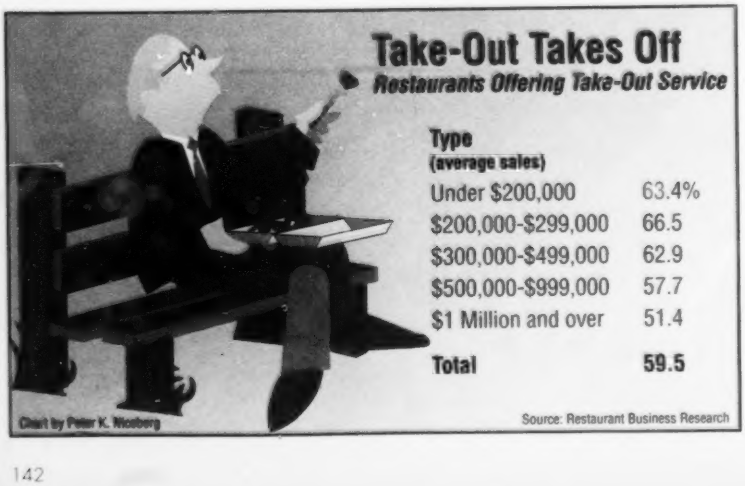


Take-Out Takes Off

Restaurants Offering Take-Out Service

Type (average sales)	
Under $200,000	63.4%
$200,000-$299,000	66.5
$300,000-$499,000	62.9
$500,000-$999,000	57.7
$1 Million and over	51.4
Total	**59.5**

Chart by Peter K. Nicsberg

Source: Restaurant Business Research

Restaurant Express, Newport Beach, CA, and president of Meal Delivery Inc., a consulting firm.

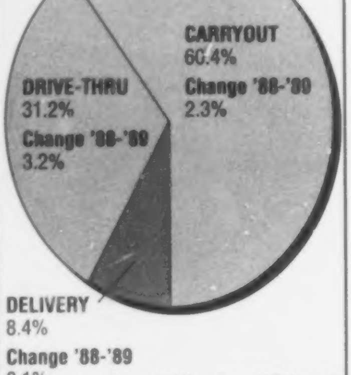
Services range from small operations like Boise's Entree Express which handles nine restaurants, to complex operations like Chicago's Room Service Deliveries Inc., which uses computerized order-taking and dispatching systems, and delivers via 15 specially equipped, radio-dispatched vans.

Hetherington's own Restaurant Express, which opened four years ago, delivers for 32 restaurants in five communities. It has serviced 17,000 customers since it was founded.

While many operations like Entree Express and Dining In use fax machines instead, some larger services like Restaurant Express and Chicago's Room Service Deliveries hook restaurants up to their computerized order systems by placing terminals in the kitchens.

There are also big differences in the way services handle menu distribution, with some creating slick, book-type formats, while others like Entree Express fit all offerings on a single sheet.

The Off-Premise Pie



Source: CREST, a service of NPD Research

Among other issues a restaurant should consider before signing with a service is how it manages the logistics of deliveries and what provisions are made to insure quality. Many services, for example, impose strict travel limits.

"We have a distance table in our computer for every restaurant and we won't travel more than 15 minutes to make a delivery," Hetherington notes.

With its specially equipped vans, Chicago's Room Service handles a larger geographic area than many, but even it has to impose limits, CEO Brian Keil notes.

Another factor to consider is how the service handles packaging. Some leave that up to each restaurant, while others, like Room Service, specify containers to use and provide them at cost.

Larger services also may be able to offer valuable marketing information to participating restaurants. "We have a database of 35,000 people that have ordered and have commissioned research," Keil notes.

Room Service not only handles individual and small group orders, Keil adds, but does about 20% of its business catering dinners for groups as large as 120. "We have a catering coordinator who helps clients select a menu from one or several restaurants. We are also starting a separate division that will provide all the traditional catering services."

Other restaurants are developing delivery services on their own or developing take-out strategies that combine a variety of approaches. One such company is the Westwood Group, Boston, which operates a variety of concepts in New England. "We had always offered take-out but never pushed it. But in the last six months we've targeted off-premise," vice president of food operations Gary Mitchell explains. The group's main focus is delivery, by its own employees within malls in shopping center locations and in downtown areas where the orders can be handled on foot, and through outside delivery services when vehicles are required. The company put together delivery menus for each restaurant and has distributed them through mailings and handouts.

"We started in the summer when business would be slow to give ourselves a chance to work up. Now to-go sales are rising, and we expect them to grow from several hundred to several thousand dollars per week per restaurant," Mitchell says.

Chopstix, an Asian concept with six restaurants in greater Los Angeles had used a delivery service but then decided to handle deliveries with its own staff. "They're more efficient, and better customer-service representatives," director of operations Steve Sukman says. Take-out and delivery comprise more than 30% of the restau-

continued on page 150

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- Cook in small batches. An overloaded basket makes fries soggy and greasy, from excess oil absorption (which costs you more, too).
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IDAHO POTATOES

rants' sales, he adds, with a little more than half of that from delivery. The restaurants are designed with take-out in mind, featuring unobtrusive cashier stands with plenty of counter space.

Another West Coast group boosting its emphasis on take-out is Spectrum Foods of San Francisco. Spectrum has been marketing take-out at its MacArthur Park restaurants for some time. They offer a special 25-item to-go menu and are equipped with separate take-out stations. The menu features gourmet salads and sandwiches ranging in price from $4 to $10, plus barbecued ribs and chicken selections. The restaurants also offer beer and wine to go.

Take-out is growing, notes director of marketing Faith Wheeler. It already makes up half of MacArthur Park's lunch sales and one-sixth of overall volume. At least one of the restaurants also provides night-time delivery through San Francisco's Waiters on Wheels service. More recently, the company began promoting take-out from one of its Italian concepts, Ciao!

"It always had it available, but this wasn't communicated to customers, and the operation was set up more for take-out of fresh pasta that customers could cook at home," Wheeler explains. To change this, the restaurant has distributed a new take-out menu and begun promoting fax service. Offerings range from cold salads and antipasti such as marinated baby squid for $6.75 to a selection of nine pastas plus main courses including veal, chicken, and shrimp dishes at prices from $8 to $16.

Another of Spectrum's to-go outlets is Spuntino, a cafeteria-style Italian cafe near the San Francisco Opera and city offices, which serves creative pizzas, pastas, and baked goods throughout the day. Take-out accounts for half of Spuntino's lunch business, and should increase since its recent addition of a fax machine, says Wheeler. The restaurant is about to add pizza delivery, which should increase night-time take-out sales.

Packaging is an important consideration.

VARIOUS AVENUES. Skipjack's Restaurants, too, utilize several take-out avenues. Off-premise accounts for 10% of Boston and 8% of Brookline sales, Senior notes.

Take-out volume is predominantly walk-in or call-ahead lunch business.

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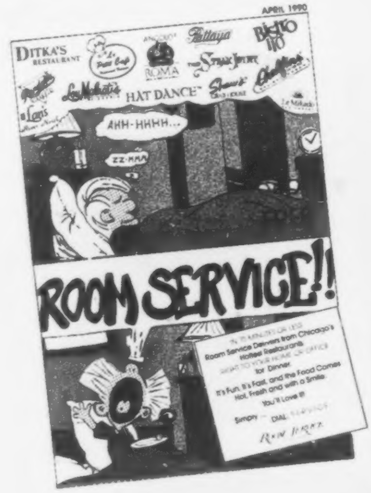
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In Chicago, Room Service offers delivery of items from a variety of restaurants.

The restaurant installed a fax two years ago, but that service is used mainly by corporations for large, catering-type orders, says Senior.

"Because our menu changes frequently, most individuals prefer to come in to see what's on our daily specials before they order," he explains. At night, this site also offers delivery through Food Movers, a service allied with Dining In that does not take orders, but simply picks up and delivers. In Brookline, take-out is split about 50-50 between lunch and dinner, and although delivery service is offered there through Dining In, most of the sales are actually pickups.

Ciao! offers Italian to go.

Skipjack's advertises take-out on its menu and through signs in the restaurant, and has developed a separate take-out menu of about 35 items priced below regular restaurant prices. Included are a fixed schedule of daily lunch specials.

PUBLICATIONS. Another promotional avenue for restaurants that offer delivery is advertising their menus in publications like New York's "We Deliver," which have sprung up in several cities. Since it premiered five years ago, We Deliver has grown from one, 48-page book to three editions totaling over 180 pages, publisher Joel Scher notes.

"The quality of participants has also grown, with more upscale restaurants

continued on page 156

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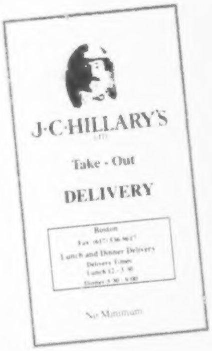
offering delivery that never would have a few years ago," he says.

Among them is The Ravelled Sleave, which sends out from five to 25 dinners a night, according to owner Jan Fried. "We require a $15 minimum and try to stay within a five-block radius," she adds. Take-out checks average $50 to $60 for a party of two.

Another way some restaurateurs are tapping the off-premise market is by opening separate take-out stores. Michela's of Cambridge, MA, opened Michela's Take-Out Shop five years ago at the same time the fine-dining restaurant opened. "We serve about 400 people daily from take-out," says owner Michela Larson.

At lunchtime, seating is available for take-out customers in the area used by the restaurant's night-time full-service cafe. Evening business, from a separate menu available after 3 p.m., is virtually all take-out, with about 30 customers. Michela's offers its own lunchtime delivery service and fax ordering..

Larson's brother Jonathan has opened another kind of operation in Boston that emphasizes take-out. Caffe Gianni is a 3,000-sq.-ft., 50-seat, take-out restaurant. "We serve as many as 1,700 to 1,800 people daily, and also do a wide array of corporate catering." Take-out accounts for 70% of sales.



J·C·HILLARY'S

Take - Out

DELIVERY

Boston

Lunch and Dinner Delivery

Delivery Times

No Minimum

J.C. Hillary's offers a special menu for delivery.

Another take-out oriented operation that emphasizes high quality, freshly prepared foods at reasonable prices is Boston Chicken, a growing chain based in Boston. Its first three company-owned and 10 franchised stores are all in Massachusetts, but new stores are opening in Connecticut and Long Island, NY. Although a few of the operations offer in-store seating, 85% of sales are take-out, as the chain's slogan, "Take Home Cooking," indicates.

Upscale food at downscaled prices is also the focus of some new kinds of operations that are springing up—foodservice kitchens devoted strictly to delivery.

At Spectrum Foods' MacArthur Parks, take-out accounts for one-sixth of the total sales volume. Units have a 25-item menu and separate take-out stations.

Room Service Express, Los Angeles, founded two years ago, for example, features five menus: sandwiches, salads, American, Italian, and Chinese. Checks average $10 per person, says president Robert Turkel. The company currently has one site delivering within a 2.5-mile radius in the West Hollywood area, but should have two other locations open in six months. Room Service Express currently delivers 100 to 150 orders a day, split 60-40 between dinner and lunch business, not counting corporate catering, Turkel notes.

Fax Grande Cuisine, Elmsford, NY, concentrates on a very specific kind of service—delivering gourmet dinners to New York City commuters coming home to Westchester train stations. President Danielle Rodriguez-Schneider, who launched the business last spring, distributes menus each morning at the stations to commuters on their way to work, and also by mail to 500 people.

RISING TREND. Delicatexas Food Creations & Catering near Houston does some delivery through couriers but concentrates mostly on take-out from its store. Executive chef Rosenberg, formerly of the Ritz-Carlton, Houston, and Hotel Bel-Air, Los Angeles, developed the business a year ago. In addition to fresh entrees and soups, the store features an array of fresh salads and weekly dessert selections. Average entree prices range from $4.25 to $8.25. The menu includes such items as broiled drum fish in roasted bell-pepper sauce and black pepper fettuccine with smoked salmon, sun-dried tomatoes, and basil pesto sauce.

Rosenberg feels his operation is a harbinger for the '90s. "Time and budgets being what they are, people are starting to look at the entire picture: service, quality, and ambience. And they're asking, 'Do I really want to sit down and eat a three-hour meal in a fancy restaurant, or do I just want a good meal that I can enjoy in comfort and convenience?' " **RB**

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the Top 100 Chains 143

TACOS TO GO
TACO BELL
TACOS TO GO
TACO BELL

Taco Bell President John L. Martin

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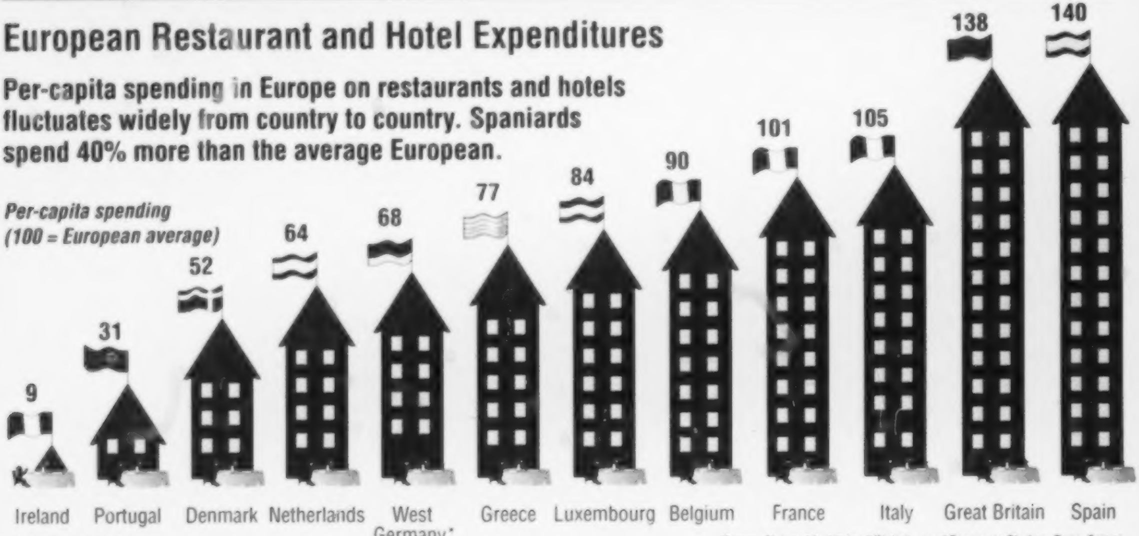
THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

European Restaurant and Hotel Expenditures

Per-capita spending in Europe on restaurants and hotels fluctuates widely from country to country. Spaniards spend 40% more than the average European.



* prior to reunification

Source: National Institute of Statistics and Economic Studies, Paris, France

Median age of the baby-boom generation:

1990:	**34**
1995:	39
2000:	**44**
2005:	49
2010:	**54**
2015:	58
2020:	**63**
2025:	68
2030:	**72**

Baby Boomers Growing Old

Many foodservice marketers target the large number of baby boomers—born between 1946 and 1964. That target group is graying.

Source: Bureau of the Census, Current Population Reports

Families with Children

Above-average appeal for families with children (100 = index for all people)

Three out of four families include their children in meals ordered from a restaurant, either for on- or off-premise dining. Pizza is the most popular concept.

Quick-Service Concepts:	
Carry-out pizza	166
Delivered pizza	161
McDonald's	142
Ice cream	141
Carry-out chicken	139
Overall hamburger category	125
Weekend Night Out (all categories):	
On-premise pizza	373
Family steak	314
On-premise chicken	286
Family style	187
Fine dining	154
Fast-food hamburger	86

Source: NPD/CREST, 1989

Charts by Peter K. Niceberg

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TACO BELL
TACOS TO GO

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The Top 100 Restaurant Chains, page 143. Pictured: John L. Martin, president of profiled Taco Bell.

COVER STORY

TOP 100 RESTAURANT CHAINS. *RB* presents its third annual study of the leading U.S. chains. This report not only provides a revealing picture of our industry, but also offers exclusive statistical data prepared especially for *RB* by Technomic Inc. In addition, this year we are featuring an in-depth look at Taco Bell, one of the Top 100's fastest-growing companies. This fast-food Mexican chain has discovered the importance of price structuring in today's cost-conscious society. **143**

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MARKET SEGMENT REPORT CASUAL-THEME RESTAURANTS. Casual-theme restaurants are growing up. Just like the clientele they serve, these restaurants in their younger days were loud and noisy; liquor service was important. Today, they are more sophisticated with a greater emphasis on food. The family market has also come into the picture. **177**

MARKET SEGMENT REPORT

Cover photograph by Jim Cornfield.

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FOOD AND BEVERAGE

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COVER STORY **PRESIDENTS FORECAST.**
As companies experience the fallout from ever-changing economic and political situations, they will have to find the tools to survive; strategic business plans will become more important than ever. The '90s will prove to be an era of cautious growth—a different track from the heady expansion years of the '80s. Instead of companies pumping money into new units, they will invest in existing restaurants. These were just a few of the conclusions from this year's Presidents Forecast, *RB*'s ninth annual, daylong, no-holds-barred discussion.

MARKET SEGMENT REPORT **SUB/SANDWICH.**
Due to growing interest in hand-held items and convenience—not to mention health perceptions—this segment is holding strong and showing positive growth gains. More creative fillings and bread varieties continue to be the outcome, as reflected in menus at all price points.

DRAFTS **SPIRITED COFFEE DRINKS.**
As the winter starts to unfold, operators can find pockets of profit in steaming mugs of hot coffee and favorite liqueurs. Promoting these special drinks and creating new concoctions also build patron interest and loyalty.

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Ethnic, p. 209.

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the Top 100 Chains

TACOS TO GO
TACO BELL
TACOS TO GO
TACO BELL

Taco Bell president John L. Martin

Restaurant Business presents its third annual study of the leading restaurant chains in the U.S. This analysis not only provides a revealing picture of our industry, but also offers an exclusive report that includes a compilation of statistical data prepared especially for RB by Technomic Inc. In addition, this year we feature an in-depth look at Taco Bell, one of the Top 100's fastest-growing companies. This fast-food Mexican chain has discovered the importance of price structuring in today's cost-conscious society. continued on page 144

RB TOP 100

The Top 100 Restaurant Chains is a comprehensive report that includes 1989 sales and unit data, as well as 100 company profiles written by *RB* staff members. Systemwide data reflects domestic operations only, for the calendar year 1989. The percentages below represent the change in sales, units, and average unit volume from 1988 to 1989. McDonald's held the top spot in both sales and units, with $12,011,739,000 and 8,270 units. Burger King remained in second place, with $5,036,000,000 and 5,387 units. Pizza Hut edged out Kentucky Fried Chicken for third place, so KFC is now fourth, and Hardee's and Wendy's remained fifth and sixth, respectively. Chains are included or excluded based on 1989 U.S. systemwide sales. Houlihan's/Darryl's rejoins the Top 100 this year, while newcomers include: Coco's/Carrows; Applebee's Neighborhood Grill & Bar (*RB*'s 1990 number-one Top 50 growth chain); Rally's; and Red Robin. Meanwhile, Bojangles', Tastee Freez, Wag's, JB's Restaurants, and York Steak House (which has ceased to exist as a chain) didn't make the list this year.

U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
1 McDONALD'S OAK BROOK, IL				
$12,011,739 5.5%	8,270 4.6%	$1,621 1.3%	1	To remedy flat store sales, Big Mac rolls out nonfat yogurt and shakes, apple bran muffins, and switches to all-vegetable frying oil. Pizza test expanded to 200 units. Testing '50s diner—the Golden Arch Cafe—in Hartsville, TN.
2 BURGER KING MIAMI, FL				
$5,036,000 1.9%	5,387 3.4%	$1,000 1.6%	3	Grand Met's turnaround efforts include hit BK Broiler sandwich and new Burger Buddies (mini cheeseburgers). Testing Domino's Pizzazz! pan pizza in four units. Kid's Club targets youth. Working on an under-$1 "value menu."
3 PIZZA HUT WICHITA, KS				
$3,300,000 17.9%	6,243 9.4%	$570 9.6%	2	Segment leader is converting 263 Winchell's Donut units in Southern California to delivery/carry-out stores, adding units in airports, hospitals, colleges with franchisee Marriott Corp. New Sausage Lover's pizzas features three kinds.
4 KENTUCKY FRIED CHICKEN LOUISVILLE, KY				
$3,000,000 3.4%	4,961 1.3%	$607 1.7%	5	New prexy Kyle Craig pushing product development: Hot Wings, Colonel's Chicken Sandwich, and 99¢ value sandwich. Plans home delivery. Repurchased 209 units from franchisee Collins Foods, increasing its control there to 32%.
5 HARDEE'S ROCKY MOUNT, NC				
$2,900,000 6.4%	3,291 5.8%	$923 0.3%	9	Purchase of 648 Roy Rogers stores from Marriott Corp. has helped increase systemwide sales by 25% through second quarter. Some 300 units have been outfitted to sell Roy's fried chicken, now 15% of sales.
6 WENDY'S DUBLIN, OH				
$2,760,000 2.6%	3,490 (0.9%)	$789 4.0%	8	Earnings and margins are up, couponing and operating costs down. Credit the 99¢ Super Value Menu, founder Dave Thomas' TV spots, and products such as Dave's Deluxe burger and grilled chicken sandwich.
7 DOMINO'S PIZZA ANN ARBOR, MI				
$2,500,000 8.7%	5,185 12.8%	$485 0.0%	4	Domino's new twists: 18 Pizzazz! full-service pan pizza units in operation, also in test in four Burger King units. Pizza now on meal plans in Marriott college accounts. Founder Tom Monaghan hasn't ruled out sale of chain.
8 TACO BELL IRVINE, CA				
$2,000,000 25.0%	3,082 7.1%	$686 16.5%	10	Taco Bell set a sizzling pace of growth with its successful discount "Value Strategy." Popular menu items were reduced to 49¢ or 59¢. Currently chain officials are fine-tuning breakfast for rollout in 1991.

continued on page 146

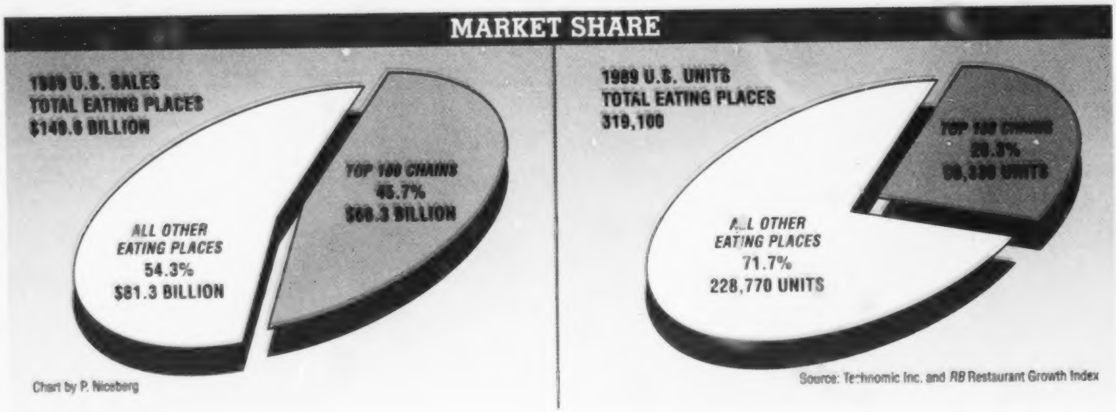

Chart by P. Niceberg

Source: Technomic Inc. and *RB* Restaurant Growth Index

	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
9 DAIRY QUEEN MINNEAPOLIS, MN					
	$1,965,000 3.4%	4,627 1.6%	$425 4.2%	6	Fiftieth anniversary year marked by new products: chicken sandwich with low-fat mayonnaise, and the Breeze, a frozen yogurt dessert with mix-ins. Yogurt now rolled systemwide. Expansion slated for Italy, Spain, and Portugal.
10 DENNY'S LA MIRADA, CA					
	$1,300,000 2.5%	1,274 3.2%	$1,120 1.8%	17	Home Cookin' focus: meatloaf, hamburger steak, liver and bacon, chicken pot pie, and pot roast. Other thrusts are 10-minute lunch guarantee and store remodeling. 60 new units projected this year.
11 RED LOBSTER ORLANDO, FL					
	$1,280,000 12.3%	447 4.0%	$2,900 7.4%	45	Using frequent promotions: Lobster Fest, seafood combo plates. Placemats inform that seafood is government inspected. Plans call for 25 openings in 1990, targeting California, Northwest, Northeast, and Florida.
12 ARBY'S ATLANTA, GA					
	$1,250,000 12.9%	2,139 9.7%	$625 2.6%	13	New president Frank Belatti increased system sales 13%. Summer-long Double Feature promo featured double-decker roast beef sandwiches and meal combo deals. Expanding in Mexico, Australia, Japan, Taiwan, and Czechoslovakia.
13 LITTLE CAESAR FARMINGTON, MI					
	$1,130,000 24.4%	2,632 23.9%	$467 0.4%	11	Rapid growth projects 3,300 units by year-end 1990. Joint venture test of Little Caesar units in eight K-mart stores leverages both chains' value images. Little Caesar encourages stores to be active in their communities.
14 BIG BOY WARREN, MI					
	$1,030,000 3.6%	915 0.3%	$1,130 3.7%	21	Focus on down-home entrees: ribs, Salisbury steak, pork loin, plus light and healthy cod dinner and turkey sandwich. Testing in-store bakeries. Debuted new marketing program aimed at seniors.
15 SIZZLER LOS ANGELES, CA					
	$850,163 8.3%	623 5.8%	$1,403 2.4%	29	Sizzler now Collins' main focus after sale of domestic KFC franchises to KFC Corp. Chain contributed 60% of revenue. Expanding beyond California into Northeast and Southeast. New Sizzler Buffet Court & Grill features food bar stations.
16 SHONEY'S NASHVILLE, TN					
	$835,000 11.3%	680 0.9%	$1,453 [illegible]	27	Projects 39-unit increase in fiscal 1990. New menu touts charbroiled shrimp, steak and shrimp, seafood platter, and club sandwich. Breakfast bar business remains one of strongest in industry.

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	U.S. SYSTEMS SALES (000)	U.S. SYSTEMS UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
17 **JACK IN THE BOX** SAN DIEGO, CA	$833,945 7.5%	986 3.0%	$932 3.2%	20	Innovation continues with Bacon Bacon Cheeseburger and new sandwiches: Sirloin Cheesesteak, Grilled Chicken Fillet, and Ham Turkey Melt. Switched to 100% vegetable oil for frying. Opened 1,000th unit in spring '90.
18 **PONDEROSA** DAYTON, OH	$780,000 9.9%	720 5.0%	$1,110 4.7%	24	Metromedia is restoring concept's budget/value image. Traffic improving after several years of negative customer counts. Turnaround moves include price point reductions and downscaling of food bar.
19 **LONG JOHN SILVER'S** LOUISVILLE, KY	$779,371 2.3%	1,465 (0.3%)	$534 0.6%	16	Tests of baked cod, halibut, and salmon score 7% to 10% of sales. Homestyle Breaded Fish is new. Franchising is preferred expansion method in aftermath of Jerrico's LBO last year. Projects 25 openings in 1990 and 50 in 1991.
20 **SUBWAY** MILFORD, CT	$764,000 27.3%	3,928 37.4%	$250 12.1%	7	Acquisition of 14-unit Cajun Joe's Fried Chicken chain gives a second growth vehicle for franchisees. Subway's growth rate averaging 100 stores per month bodes well for goal of 5,000 by year-end and 8,000 in 1993.
21 **DUNKIN' DONUTS** RANDOLPH, MA	$715,000 8.7%	1,565 8.5%	$508 5.8%	14	Some Mister Donut units acquired by parent Allied-Lyons are being converted to Dunkin' Donuts. Donut merchandising is expanding (already in 2,500 c-stores) to kiosks in Marriott toll plaza and airport accounts plus other outlets.
22 **ROY ROGERS** WASHINGTON, DC	$640,000 1.6%	598 (1.8%)	$1,120 1.8%	32	The $365-million Roy Rogers acquisition from Marriott gives Hardee's an established fried chicken business and presence in Northeast. So far, 100 Roy's converted to Hardee's. Roy's average unit volume exceeds $1 million.
23 **BONANZA** DALLAS, TX	$615,000 7.8%	567 6.2%	$1,000 6.0%	33	Parent Metromedia is calming franchisees who objected to linkage with rival Ponderosa after 1989 acquisition. Adding new line of chicken entrees. Ready to launch new marketing program featuring an entertainment celebrity.
24 **FRIENDLY** WILBRAHAM, MA	$572,000 1.4%	823 (2.9%)	$695 4.5%	22	Donald Smith's improvement plan: store remodeling, frequent promotions, and new products such as premium light ice cream and new breakfast menu. Soft-serve frozen yogurt rolled out nearly chainwide.
25 **CARL'S JR.** ANAHEIM, CA	$550,161 14.5%	551 14.3%	$1,000 0.0%	34	Plans to build its strong regional presence in the Southwest and West, with 45 company store openings and 10 to 15 franchised. New licensing agreement targets nine Pacific Rim countries, opening 1991.
26 **CHURCH'S** SAN ANTONIO, TX	$530,000 (5.2%)	1,111 (13.3%)	$415 10.4%	18	Conversion of 400 Church's units to Popeyes proceeding more slowly than expected. AUV increased 10% to $415,000. Introduced Foot Long Chicken Sandwich this year.
27 **POPEYES** JEFFERSON, LA	$525,000 8.2%	739 3.4%	$710 (2.1%)	23	Debt service resulting from $450-million Church's acquisition remains a problem for president Al Copeland. But Popeyes' sales advanced 8%; AUV increased to $710,000, one of the highest in segment. Debuted roasted chicken this year.
28 **BENNIGAN'S** DALLAS, TX	$505,000 1.0%	222 4.7%	$2,275 (1.1%)	64	Health is major focus: touting skinless chicken, 98% fat-free ham, and 100% vegetable oil frying, plus new "veggie" dishes. Has strengthened price-value perception by holding price points.

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	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
29 GOLDEN CORRAL RALEIGH, NC	$500,000 9.6%	525 4.6%	$950 4.5%	36	The privately held family steak chain is seeing rises in customer counts and sales. Marketing focus is value-added menu promotions rather than straight discounting, e.g. 9-oz. N.Y. strip steak with salad bar for $7.99.
30 BASKIN-ROBBINS GLENDALE, CA	$465,000 2.1%	2,354 (3.9%)	$205 5.1%	12	Focusing on products: "Low, Light, and Luscious," a 97% fat-free aspartame-sweetened frozen dessert, and B/R Light, a 93% fat-free, all-natural dessert. Boosting take-home sales with prepacked containers and more flavor selections.
31 TGI FRIDAY'S DALLAS, TX	$432,500 12.9%	143 7.5%	$3,300 9.1%	83	Chain taken private by parent Carlson Cos. Celebrating 25th anniversary year with popular new Thai Chicken, Fajita Baguette, and Pie in the Sky. Joint venture expansion slated for Taiwan, Hong Kong, and China.
32 CHI-CHI'S LOUISVILLE, KY	$430,492 6.9%	191 6.1%	$2,577 5.8%	73	Nation's largest midscale Mexican chain and largest seller of margaritas rolled out new spicier Tex-Mex menu. Opened 20 new units, including new prototype. Southeast expansion opens new markets: Richmond, Nashville, and Charlotte.
33 WESTERN SIZZLIN DALLAS, TX	$425,000 (5.1%)	525 (9.3%)	$810 4.7%	37	AUV has grown since acquisition in 1988 by Triton and management group led by Michael Stack and Frank Carney. Primarily Southeast chain aspires to national presence with goal of 1,000 units by end of 1995, 75% franchised.
34 PERKINS MEMPHIS, TN	$423,293 12.9%	371 8.8%	$1,339 8.9%	48	Projects Canada as a future growth market, where six stores are open. New pot pie item and pasta line selling well. Stepping up in-store bakery installations, currently in one-third of chain.
35 SONIC DRIVE-INS OKLAHOMA CITY, OK	$390,195 14.4%	1,012 2.7%	$395 11.0%	19	Celebrated its 30th anniversary with Beach Burger '50s promo this summer. Three straight years of double-digit unit sales increases. Average unit volume has increased from $265,000 to $395,000 in past six years.
36 OLIVE GARDEN ORLANDO, FL	$387,000 58.6%	170 36.0%	$2,600 4.0%	77	Olive Garden is defining the Italian dinnerhouse segment with an opening a week and an AUV of more than $2.6 million. Goal is 350 units and $1 billion sales in next five years. Summer specials: salads, fish, and lightly sauced pastas.
37 EL TORITO IRVINE, CA	$379,000 (1.6%)	181 0.0%	$2,095 (1.4%)	75	"The Fiesta Restaurant" has switched to all-vegetable frying oil. New menu emphasizes Mexican-style seafood and rolls out Light Combo lunches. Periodic TV spots promote three-course Fiesta Combo, $7.95.
38 CAPTAIN D'S NASHVILLE, TN	$375,000 [illegible]	607 3.2%	660 4.8%	30	New on menu are shrimp scampi, cheese sticks, fried chicken sandwich, and chicken sandwich platter. At work on lighter items. AUV of $660,000 leads seafood QSRs. Reported record sales in 1989 and 38% increase in pretax earnings.
39 CHILI'S DALLAS, TX	$369,116 23.9%	193 21.4%	$2,130 3.2%	70	Projects 20-24 new Chili's, 5-6 Regas Grills, and 3-4 Macaroni Grills. International expansion kicks off with Chili's deal in Mexico City, target opening 1991. Will reach $500 million sales milestone, too.
40 MORRISON'S MOBILE, AL	$368,000 15.4%	175 4.2%	$1,870 4.5%	76	Morrison Inc.'s number-one income producer has couponed and promoted heavily to build traffic, but lower margins have resulted. Facing stiff competition for middle-aged clientele from casual-dining restaurants.

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RB TOP 100

	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
41 IHOP NORTH HOLLYWOOD, CA	$359,000 14.0%	480 9.8%	$748 12%	43	New Harvest Grain and Nut pancakes has met with excellent customer acceptance, increasing weekly sales volumes. Also, a "Fast Break Breakfast" introduced, guaranteeing 10-minute or less service time.
42 WHATABURGER CORPUS CHRISTI, TX	$325,000 19.5%	490 16.1%	$800 2.6%	42	Chain still struggling to maintain profitablity after the oil collapse in Texas, where most of its units are located. Trying new menu items such as biscuits, and experimenting with credit cards.
43 RAX COLUMBUS, OH	$319,135 (11.6%)	490 (5.8%)	$540 (5.2%)	41	Dropping unprofitable units and concentrating efforts in Midwest market where strongest. Repositioning being led by president and CEO Ira A. Hermann. New products: sandwiches, subs and carryout Express Salads; burgers dropped.
44 BOB EVANS COLUMBUS, OH	$312,390 9.4%	232 5.0%	$1,460 4.3%	62	Restructuring calls for seven new operating groups reporting directly to the chairman and CEO, Daniel E. Evans. Intention is to reduce duplicated functions. Some 20 new stores are planned to open; new prototype will be included.
45 HOULIHAN'S/DARRYL'S KANSAS CITY, MO	$305,816 5.4%	115 3.6%	$2,982 4.8%	91	A dozen new units a year for each concept are now planned. New menu items at Houlihan's offer complete dinners with choice of soup or salad and dessert. Lighter foods in the works.
46 TCBY LITTLE ROCK, AR	$303,000 44.4%	1,537 32.5%	$232 3.6%	15	Following continued sales declines in 1990, franchisees and shareholders blame top management and demand changes. Franchisees introducing soups and sandwiches to menus to bolster same-store sales.
47 RYAN'S GREENVILLE, SC	$295,312 26.2%	141 15.6%	$2,208 2.2%	84	Updating and remodeling units; all-you-can-eat Mega Bar contributing 50% of sales. Same-store sales weak, but new unit growth will continue at about a 14% rate. Some 19 new company units projected in 1991.
48 ROUND TABLE SAN FRANCISCO, CA	$295,000 10.5%	540 2.9%	$545 7.3%	35	Chain plans to open 70 new domestic restaurants in the next two years, plus 10 abroad. Minority franchise ownership has increased significantly. Restaurants are being reduced in size and take-out and delivery is expanding.
49 COCO'S/CARROWS IRVINE, CA	$294,000 5.0%	256 (0.8%)	$1,150 6.0%	56	Formerly part of the Grace Restaurant Group, now owned by the Restaurant Enterprises Group Inc. Concept repositioned with convenience and the health-conscious consumer in mind.
50 LUBY'S SAN ANTONIO, TX	$292,000 10.6%	127 6.5%	$2,400 1.7%	88	Some 13 new cafeterias were opened during fiscal 1990; 14 more units expected to open this coming year, including second unit in new Tampa, FL, market. Take-out components in freestanding restaurants contribute to sales increases.
51 FURR'S/BISHOP'S LUBBOCK, TX	$288,317 5.7%	155 (1.3%)	$1,860 [illegible]	82	Emphasis on in-store marketing: Mexican and other ethnic menu promotions, senior citizen specials, and take-home sales of baked goods and Furr's label ice cream and candy. Two full-service Furr's Pie Kitchen & Restaurant units in test.
52 GROUND ROUND SOUTH WEYMOUTH, MA	$285,350* 9.3%	213 0.5%	$1,285 3.2%	67	New president/CEO Michael O'Donnell (recruited from TGI Friday's) is modernizing chain with lighter foods: pasta, chicken, seafood, salads. Positioning as hybrid family-casual concept for national expansion.

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	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
53 WAFFLE HOUSE NORCROSS, GA	$280,000* 12.0%	685 2.7%	$410 3.8%	26	The focus for the 24-hour coffee shop chain is on company-store expansion, primarily in the South and West. Management training programs have been enhanced by new Waffle House University.
54 WHITE CASTLE COLUMBUS, OH	$278,125 (1.5%)	244 3.8%	$1,166 (5.5%)	59	The privately held, all company-owned chain grows at the rate of 15 new units per year. Recent marketing thrusts center on kids' meals and supermarket sales of frozen White Castle burgers. Testing new conveyor system.
55 PICCADILLY BATON ROUGE, LA	$268,946 6.8%	137 8.7%	$2,090 4.6%	85	Growth plans call for 10 new cafeterias and several new Ralph & Kacoo's seafood dinnerhouses per year, mainly in the deep South. Marketing focus on nutrition and take-out programs.
56 CHICK-FIL-A ATLANTA, GA	$263,807 13.6%	411 6.5%	$661 6.3%	47	1989 sales increased 13.6%, on pace for goal of $1 billion by year 2000. Expansion pace calls for 25 new mall and 12 freestanding units, and one Chick-fil-A Dwarf House.
57 QUINCY'S SPARTANBURG, SC	$263,300 4.9%	213 0.9%	$1,250 6.8%	68	The budget family steak house has been active in menu development: new are grilled chicken, fried catfish, and baked whitefish. Experimenting with a breakfast program and take-out sales of fresh-baked goods.
58 SHOWBIZ PIZZA/CHUCK E. CHEESE IRVING, TX	$262,582 6.9%	248 (2.0%)	$1,070 9.0%	58	Parent company Show Biz Pizza Time Inc. plans a gradual merger of its two entertainment-pizza concepts under the name Chuck E. Cheese. Primary advantages are a unified brand image and a combined, leveraged marketing budget.
59 PIZZA INN DALLAS, TX	$260,000* (11.9%)	468 (29.7%)	$500 4.2%	44	The chain is emerging from bankruptcy under the leadership of new prexy-CEO Jeff Rogers, formerly of USACafes. Improvements in training, service, and cost control are boosting sales trends and cash flow.
60 MARIE CALLENDER ORANGE, CA	$250,000 6.4%	157 8.3%	$1,625 0.0%	81	"Homey Americana" is the image of this chain, which inhabits the upper niche of family restaurants with a check average in the $7.50 vicinity. Suburban areas of major Midwest markets are promising expansion territories.
61 VILLAGE INN DENVER, CO	$234,600 0.9%	234 (8.6%)	$1,054 14.7%	61	During Fiscal 1990, the company revamped its lunch and dinner menu. Total number of units, company-owned and franchised combined, decreased from 267 to 234; company showed a nice increase in total unit volume.
62 TONY ROMA'S DALLAS, TX	$228,000 14.0%	130 22.6%	$2,100 10.5%	87	Tony Roma's has targeted decor and in-house delivery as areas for change. Expansion plans call for 25 new units annually, mostly through franchising; target markets are Philadelphia, Atlanta, Chicago, Detroit, and Washington, DC.
63 CARVEL YONKERS, NY	$225,000* 2.3%	710 (2.7%)	$350 4.5%	25	Carvel was acquired by Investcorp in 1989. A new ad agency and a $6 million campaign will trumpet the company's new image. Carvel hopes to double in size by the end of 1991. Founder Tom Carvel died last month.
64 GODFATHER'S OMAHA, NE	$225,000 (2.6%)	504 (5.1%)	$438 (0.5%)	39	Godfather's continues to focus on operationally basics such as service and quality, but has successfully introduced products such as meatball and barbecued beef pizzas.

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	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
65 BAKERS SQUARE DENVER, CO	$216,800 14.5%	159 6.0%	$1,424 10.0%	79	New items such as seafood fettuccine, chicken Alfredo, and shrimp marinara are added regularly to the company's menu. Bakers Square saw a 10% increase in average unit volume between 1988 and 1989.
66 DEL TACO/NAUGLES COSTA MESA, CA	$200,000* (4.8%)	350 (7.9%)	$605 4.3%	50	The company, which was sold by AWRII to four of its top executives, lowered prices on many of its best-selling products and added several 59¢ items, such as crisp and soft tacos and a green chili burrito.
67 SBARRO COMMACK, NY	$196,600 27.3%	369 22.6%	$533 3.9%	49	Although the chain has traditionally been aimed at mall locations, it is now growing through nontraditional avenues via franchising agreements. 1990 also saw the company's first freestanding unit, in East Northport, NY.
68 STEAK & ALE DALLAS, TX	$195,000* (2.5%)	159 (3.6%)	$1,300 (7.1%)	80	The company was acquired by Benale Holding Corp. in 1989. Steak & Ale suffered a 7.1% decrease in average unit volume between 1988 and 1989, due to declining customer counts.
69 STUART ANDERSON'S LOS ALTOS, CA	$195,000* (0.7%)	84 0.0%	$2,300 (0.4%)	95	Menu expansion in the beef category: New entrees include filet mignon stuffed with blue cheese, mushrooms, and herbs and a top sirloin marinated in teryiaki sauce. The company has also added a wine list.
70 CRACKER BARREL LEBANON, TN	$190,186 28.8%	79 17.9%	$2,612 11.6%	96	The company, which continues to tap into the public demand for home-style meals, added 15 new units in 1990, and 18 more are planned for 1991; same-store sales continue strong.
71 KRYSTAL NASHVILLE, TN	$188,264 5.6%	232 (0.4%)	$813 6.6%	63	Krystal is sticking to its core business—hamburgers—adding new menu items cautiously and eschewing discounting. Breakfast sandwich, franchising Krystal Kwik double-drive-thru unit with a scaled-down menu going well.
72 GRANDY'S DALLAS, TX	$181,174 (3.6%)	195 (3.0%)	$929 (0.6%)	69	The company has seen some slippage in per- unit sales, due in part to its move into sandwiches and breakfast, which, with lower price points, may have dampened sales figures. International expansion going strong.
73 BRAUM ICE CREAM OKLAHOMA CITY, OK	$180,000* 12.5%	235 11.9%	$815 4.5%	60	The company added 25 new units last year and saw a nice 4.5% increase in average unit volume. Plans call for 15-unit expansion in 1990. Newer stores have sleek look with drive-thru service and seating for 80.
74 WYATT CAFETERIAS DALLAS, TX	$176,257 0.6%	121 0.8%	$1,466 (0.4%)	89	Wyatt is now developing a drive-thru concept, which will incorporate an easy-to-change menu board so that units may alter selections daily. The company has been expanding by about 10 units annually.
75 COUNTRY KITCHEN MINNEAPOLIS, MN	$175,400 4.8%	254 0.8%	$690 4.5%	57	In order to broaden its appeal, the company began menuing beer and wine in about half its units, and added liquor to the menu in some. Meat loaf also returned to the menu after several years' absence.
76 EL POLLO LOCO LA MIRADA, CA	$175,000* 44.7%	192 28.9%	$1,010 1.0%	71	The chicken chain racked up the biggest percentage sales increase of any major chicken chain in 1989, largely due to its growth vehicle: a freestanding, 60-seat unit with a drive-thru window. New stores to open at a rate of 25-30 per year.

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	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
77 RUBY TUESDAY MOBILE, AL	$166,000 29.7%	98 22.5%	$1,700 6.3%	94	The company is quickly moving out of the regional category and into the Northeast and Midwest. New menu items include fajita chicken, barbecued ribs, and deep-dish apple walnut pie.
78 PO FOLKS NASHVILLE, TN	$163,200 0.4%	136 (3.5%)	$1,200 4.3%	86	The company, which emerged from bankruptcy in April, 1989, enjoyed an increase in average unit volumes of 4.3% that year, as compared to 1988. The company is now testing drive-thru at several of its 135 units.
79 WESTERN STEER CLAREMONT, NC	$160,204 (8.5%)	165 (10.[illegible])	$839 (4.2%)	78	The company changed its design away from the old, dark, budget steakhouse look to light-toned woods and a modern mauve interior. It also revamped its food buffet to include new lighter entrees and lower lunch prices.
80 A & W RESTAURANTS DEARBORN, MI	$157,872 21.6%	602 26.5%	$263 (3.7%)	31	The company focused on filling out existing markets, and converted other restaurant locations to the A&W name, especially in food courts and shopping malls. New marketing efforts included root beer, multiple meal promotions.
81 BROWN DERBY CLEVELAND, OH	$156,000* 0.6%	53 1.9%	$2,950 0.0%	100	The company plans to start an advertising campaign in print, radio, and TV. Expansion of the chain goes South- and Midwest; new units are planned for Phoenix, Pittsburgh, and Cleveland.
82 LEE'S FAMOUS RECIPE NASHVILLE, TN	$156,000* 7.2%	282 (0.4%)	$601 7.1%	54	Company recently announced a major, five-year expansion campaign of aggressive franchising growth, planning to double the size of this Shoney's Inc. division by 1995.
83 MISTER DONUT MINNEAPOLIS, MN	$155,000* 2.7%	504 (2.3%)	$306 4.8%	40	The big news this year for this number-two donut chain was its purchase by the largest donut chain, Dunkin' Donuts (owned by Allied-Lyons PLC of London), from Minneapolis-based parent International Multifoods Corp.
84 FUDDRUCKERS WAKEFIELD, MA	$150,500 9.1%	114 (2.6%)	$1,320 12.0%	92	On the international front, this 117-unit upscale hamburger chain opened a store in Istanbul, Turkey, this year. Domestically, the company launched a "Kids Eat Free" promotion in late September. The promo was extended indefinitely.
85 APPLEBEE'S KANSAS CITY, MO	$150,000 87.5%	115 71.6%	$1,650 (4.0%)	90	This casual-dining restaurant chain burst onto the scene by increasing its systemwide sales by 87.5% and growing from 54 units to 115 by year-end 1989 (see July 20, 1990 cover story, p. 101). In 1990, it has expanded to 150 units.
86 MRS. FIELDS PARK CITY, UT	$145,000 9.0%	515 (6.4%)	$345 (4.0%)	38	With its Mrs. Fields cookie stores, La Petite Boulangerie bakeries, and Mrs. Fields bakeries, this company is expanding with licensing agreements. Ambrosia Chocolate and Mrs. Fields to sell semi-sweet chocolate chips in grocery stores.
87 SHAKEY'S SOUTH SAN FRANCISCO, CA	$145,000* 0.0%	217 (6.1%)	$655 4.5%	66	This family pizza chain has dramatically changed its strategic plans under new president Gene Stone and Singapore-based parent Inno-Pacific Holdings. It will add 20 to 40 units over the next three to five years.
88 WINCHELL'S LA MIRADA, CA	$143,000* (1.4%)	633 (5.7%)	$230 4.5%	28	Acquired by Vancouver, BC-based Shato Holdings Ltd. in December, 1989, this company is testing concept called Winchell's 'N' More that sells expanded line of baked goods. Expect expansion of this new concept and conversion of old units.

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	U.S. SYSTEM SALES (000)	U.S. SYSTEM UNITS	AVG. UNIT VOLUME (000)	UNIT RANK	INSIDE INFO
89 **MAZZIO'S** TULSA, OK	$138,000 3.8%	280 (0.7%)	$720 2.9%	55	Mazzio's Corp. operates four pizza chains: full-service Ken's Pizza Restaurants; Mazzio's Pizza, a self-service concept; Pizza Buy the Slice mall units; and Mazzio's Delivery service. New restaurants devoting more space to video games.
90 **MR. GATTI'S** KERRVILLE, TX	$138,000* (3.5%)	300 (7.7%)	$495 4.2%	53	This 300-unit pizza restaurant chain will be celebrating its 25th anniversary in 1991. It began testing the Pan Perfect Pizza in some of its markets in early November. The stores are also being remodeled for a more modern look.
91 **PAPA GINO'S** DEDHAM, MA	$137,400 4.1%	218 5.3%	$624 (4.0%)	65	The fast-food pizza player is fighting to maintain market share amid mounting national chain competition and the New England recession. Imperatives are to grow the delivery end of its business and develop a franchising program.
92 **CHART HOUSE** SOLANA BEACH, CA	$133,000* 6.4%	60 3.4%	$2,345 2.9%	98	The company has opened seven Chart House dinnerhouses in the first nine months of 1990, exceeding projection of four to six for the year. It has revised growth projection for its Paradise Bakery concept from nine units to two.
93 **RALLY'S** LOUISVILLE, KY	$132,620 79.1%	192 76.1%	$918 (4.9%)	72	Publicly owned Rally's is the fastest-growing double-drive-thru burger chain. It projects a year-end total of 275 units on its way to a national presence. Its low-investment units are one-quarter the size of other fast-feeders' units.
94 **WIENERSCHNITZEL/HAMBURGER STAND** NEWPORT BEACH, CA	$130,862 0.7%	338 1.8%	$390 (1.5%)	51	Wienerschnitzel has rolled out a new all-beef, natural-casing Deli Dog and a grilled chicken sandwich. Hamburger Stand is experimenting with pizza, a value menu of items under $1, and Weldon's quick-service gourmet burger concept.
95 **TACO JOHN'S** CHEYENNE, WY	$125,125 7.9%	446 4.7%	$288 5.9%	46	The privately held Mexican chain is moving across the upper Midwest at a pace of 30 to 50 new units per year. Blazing the trail are improvements in operations systems, advertising co-ops, and field marketing.
96 **RED ROBIN** IRVINE, CA	$124,000 24.0%	58 23.4%	$3,200 0.0%	99	Menu innovations are energizing the Japanese-owned casual dinnerhouse chain. Hot new items are seafood pasta, Lotsa Pepperoni Pizza, albacore tuna croissant, Jamaican Chicken Burger, and a $3.99 Kids Meal Deal with puppet.
97 **KETTLE** HOUSTON, TX	$122,000 (3.9%)	188 (6.5%)	$498 17.2%	74	A reworked menu, now featuring color photography, offers an expanded "snack foods" section and more seniors selections. Popular new items include a London broil sandwich, rainbow trout, and signature ice cream desserts.
98 **BLIMPIE** NEW YORK, NY	$120,000 9.1%	330 10.0%	$317 5.7%	52	Publicly held Astor projects 150 more of the 1,500 sq.-ft., 50 seat sandwich shops in 1990, especially targeting the Southeast, Southwest, and New England. Recently, the chain has diversified its menu with low-calorie items and hot subs.
99 **LYONS** FOSTER CITY, CA	$120,000* 9.1%	68 4.6%	$1,800 0.0%	97	The family restaurant chain reports good morale in the aftermath of its management-led leveraged buyout. Plans call for company store expansion of five to seven units per year and completion of systemwide remodeling program.
100 **EL CHICO** DALLAS, TX	$117,215* 5.1%	104 (1.9%)	$1,095 0.0%	93	The midscale family-oriented chain plans to step up franchising in the Midwest and Southeast, introducing new markets to its Southwest-style Mexican food. Radio marketing stresses freshness and value.

*Technomic estimate

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MARKET SEGMENT REPORT

CASUAL THEME RESTAURANTS

Plaza II is one of Creative Restaurant Management's theme concepts.

Casual-theme restaurants are growing up. Just like the clientele they serve, these restaurants in their younger days were singles-oriented; and liquor service was important. Today, they are more sophisticated with a greater emphasis on food. And families have come into the picture.

"When I was 21, I loved those places. I could go out, have fun, try a lot of things from a large menu," notes one restaurateur. "But the food was always secondary to the atmosphere, and those large menus were hard to execute. Now, people are willing to pay slightly more for quality food, and some of the casual-theme restaurants are going to have to take a hard look at their menus and ingredients."

AGING WELL. Most of the major chains in the casual-dining segment have aged very well, although the competitive climate in the segment is as brutal as it is throughout the industry. One executive points out that General Mills Restaurant Group's rapid roll-out of its Olive Garden concept has put pressure on the casual themers for sites and managers. But the largest casual-theme chains, those that originally defined the segment, are not currently expanding at a rapid pace. Dallas-based Bennigan's is reportedly closing units, while Dallas-based TGI Friday's, and Kansas City-based Gilbert/Robinson Inc.—which operates Houlihan's and Darryl's—are expanding cautiously.

The real competition is coming from regional and local chains that can react quickly to the public's changing tastes, as well as keep tight control on operations.

FOCUS ON FAMILIES. A persistent theme among restaurateurs in the casual-theme segment is the aging of the baby boomers and their new-found focus on their families.

"Families are a factor in casual-theme dining," says Judy Kelly, South Weymouth, MA-based Ground Round's vice president of marketing. "The me generation has turned into the us generation. We're much more nurturing." She points out that the 76 million babies born *between the years of 1946 and 1964 are becoming parents.*

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The segment is growing up with its customers.

By Jacque Kochak

MARKET SEGMENT REPORT

CASUAL THEME RESTAURANTS

These baby boomers are now faced with the financial burdens that go with owning a home and caring for a family, but they are also accustomed to a carefree prefamily lifestyle that allowed them to dine out frequently. In fact, according to the Bureau of Labor Statistics, 40% of their weekly food budget is allocated to restaurant food.

HEALTHY DINING. They're also coming face to face with the realization that youth is ephemeral. With that realization has come more emphasis on healthy dining.

"We're continuing to see the evolution from red meat to chicken, with less fat and sodium," says Fred Hipp, president of Gilbert/Robinson Inc.

Chicago's Lettuce Entertain You Enterprises (LEYE) has added "Heart Healthy" menu items, approved by the American Heart Association as being low in cholesterol, at each of its restaurants. "We tried something similar 12 years ago and it didn't go over well," says Jimmy Banakas, one of LEYE's managing partners. "But now they're selling terrifically. The climate has changed; baby boomers are aging, and they're more conscious of what is happening to their bodies."

As a result of this interest in staying healthy, liquor sales have again suffered a dramatic decline. "Alcohol is out," says Hipp. "I said before that declining liquor sales had bottomed out, but I was wrong. The decline over the last year has been incredible.

"I think that those operations known for their bar environment could be in big trouble," he adds. "The market share is shifting toward restaurant operators who can offer quality food."

STILL SUCCESSFUL. One of the big success stories of the '80s was Dallas-based Chili's, a company that proved that room still existed in the casual-theme dining segment for another player. The company grew rapidly in the 1980s to become one of the largest chains in the segment, with 163 company-operated Chili's and another 50 franchised or joint-venture units. The Dallas-based company also operates 10 Regas Grills and two Macaroni Grills.

Chili's average unit volume is $2.1 million annually, with 1989 systemwide sales reaching $369 million.

Units are open in 35 states, in an arc from California through the Southwest and up the East Coast. Twenty to 23 company-operated units are set to open each year for the foreseeable future. About 10 franchised units will open annually.

The concept remains the same. Chili's, with its casual atmosphere and eclectic, moderately priced menu, is located on the lower-priced end of the casual-theme dining segment. The restaurants attract families and a loyal clientele. Chili's offers fast service, with quick table turns.

A grilled Caribbean chicken salad

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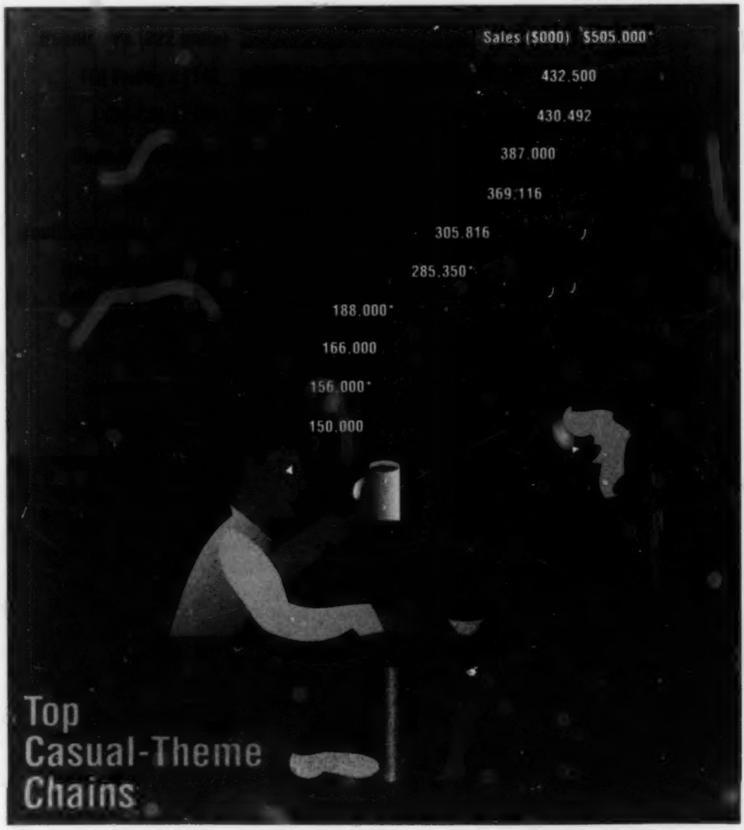
The new casual-theme chains are catering to families now.

CHART BY PETER K. NICEBERG



MARKET SEGMENT REPORT

CASUAL THEME RESTAURANTS

and a grilled shrimp Caesar salad were recently added to a relatively stable menu. Also new is the Awesome Blossom, a large red onion that has been sliced so that it opens like a flower, then dipped in batter and fried.

"We're trying to hold the line on prices, and keep our reputation for a solid price/value relationship," says Jim Parrish, executive vice president and chief financial officer.

Regas Grill is Chili's attempt to move into the upper end of the segment. Featuring dark woods, carpeting, and a menu heavy with seafood, prime rib, and steak, the restaurants offer a $10 check average versus Chili's $7.50 average. Regas Grills draw more couples and fewer families.

"We're concentrating on the same customer, since we feel we know how to market to this group," says Parrish. "But Regas Grill is the next step up."

The two Macaroni Grills are located in Texas. With their concrete floors and white tablecloths, the restaurants project the comfortable ambience of an old Italian kitchen. The emphasis at Macaroni Grill is on high-quality food, says Parrish, with a check average of $13 to $14.

Five Regas Grills will open next year, he adds, but Macaroni Grill is still in the research and development stage. However, three to five will probably open next year, says Parrish.

Also proving that the casual-theme dining segment still offers promise is the growth of Kansas City, MO-based Applebee's. The restaurants feature a menu that is varied but not too broad, low price points, and a "neighborhood" atmosphere.

Applebee's management says that the concept is filling an unserved niche: a hybrid between a fast-food restaurant and a casual-dining restaurant, where a customer can spend $6.50 for dinner.

Because the Applebee's concept has been systematized into a relatively simple, streamlined form, the company is aggressively franchising. Therefore, Applebee's management is aspiring to open far more units than the typical casual-theme operator. President Abe Gustin projects that Applebee's is capable of growing to at least 850 units.

Actually, Applebee's has been around for a long time. Applebee's International Inc. began as a franchisee of the now-defunct Creative Food 'N Fun division of W.R. Grace & Co. The franchisee acquired the chain from Grace in March 1988, and since then has more than doubled the unit count and increased sales by 87.5%.

The casual-theme segment is still so attractive that Nashville-based Shoney's Inc., which operates Shoney's family restaurants, Captain D's seafood outlets, Lee's Famous Recipe Chicken, Fifth Quarter Restaurants, and Shoney's Inns, has recently entered the

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Fedora is just one of Creative Restaurant Management's concepts.

segment with Pargo's Restaurants. Pargo's has been described as almost a cartoon caricature of the popular fern bars. Large stuffed cartoon characters set the mood. The food is serious, however, although moderately priced.

A fairly extensive menu emphasizes fresh ingredients. Entrees range from barbecued baby back ribs, prime rib and shrimp, and mushroom fettuccine to a Ragin' Cajun burger and a Mile High corned beef sandwich. The most expensive items on the menu are prime rib, New York strip, and a ribeye at $10.95.

Eight Pargo's are now open, with one franchised unit slated for opening in 1990. The Pargo's concept is designed to appeal to families looking for a fun, relaxed dining atmosphere. It was created in the mid-1980s by franchisee Mitch Boyd, who sold the Pargo's concept to the corporation in 1986.

Over the years Ground Round has suffered an identity crisis, sometimes viewing itself as a casual-theme and sometimes as a family restaurant. In late 1989, Michael O'Donnell was named president and chief executive officer of South Weymouth, MA-based Ground Round. O'Donnell came from TGI Friday's, where he served as senior vice president of operations in charge of the southern division.

O'Donnell has been able to successfully meld Ground Round's two identities, and the company has recently launched an aggressive marketing campaign intended to directly target families, while emphasizing that Ground Round offers the kind of atmosphere and food to which adults have become accustomed.

In the past, advertising focused on discounted menu items. Now, an upbeat radio campaign features the typical American family, who convey the message that Ground Round is a place "Where Kids Can Relax And Grown-Ups Can Have Fun." The commercials are a take-off on '50s and '60s sit-coms, complete with canned laughter.

Liquor sales are no longer as important.

Chili's new Awesome Blossom is a large onion that has been sliced like a flower, dipped in batter, and deep fried.

Ground Round, with more than 200 units nationwide, posted 1989 systemwide sales of $285 million. Company stores boast annual volumes of $1.4 million, while franchised units top that at $1.63 million annually.

Ground Round was acquired in 1989 by publicly traded GR Foods Inc., formerly International Proteins Corp. The diversified food and agriproducts company is based in Woodbridge, NJ. Following the acquisition, Ground Round has accelerated expansion. The company is projecting the addition of 100 units over the next five years, opening both company-owned and franchised restaurants in existing markets before penetrating new markets.

Ground Round restaurants offer kids much to do. Cartoons play on a large screen in the dining room, popcorn is served to every table, and video games crowd one wall. Bingo the Clown makes periodic visits, and on Thursdays kids pay what they weigh, during Ground Round's Penny-A-Pound promotion.

Yet the menu is broad enough to appeal to adults, as well. In addition to its traditional offerings, such as hamburgers and baby back ribs, Ground Round also offers salads, seafood, grilled entrees, and a wide variety of appetizers. New additions include Mexican pizza, Cajun popcorn shrimp, chicken nachos, and a number of new salads. New entrees include baked stuffed sole, shrimp scampi, and a fillet of cod sandwich. The new menu, rolled out in mid-May, also reduced the price of Ground Round's signature hamburger from $4.39 to $3.85.

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MARKET SEGMENT REPORT

CASUAL THEME RESTAURANTS

THE CLASSICS. One of the originators of the casual-theme dining category is Dallas-based Bennigan's, which recently went through a management buyout following Grand Metropolitan's acquisition of parent company Pillsbury. The company operates some 200 units, although some units are reportedly being closed. Systemwide sales are $505 million.

Dallas-based TGI Friday's has been taken private by parent Carlson Companies in Minneapolis.

One of the pioneers in the segment, the chain is celebrating its 25th anniversary year. Menu additions include the popular new Thai Chicken, Fajita Baguette, and Pie in the Sky. A joint venture expansion is slated for Taiwan, Hong Kong, and China.

Gilbert/Robinson Inc., with 110 Houlihan's and Darryl's nationwide, has long been considered a trendsetter in the casual-theme segment. Expansion is cautious following G/R's purchase by a group of investors from Restaurant Enterprises Group in early 1989, with 10 units a year projected. The company's systemwide sales reached $306 million in 1989.

Neither concept has changed recently, reports president Fred Hipp, although a modified prototype of Houlihan's is being developed. According to Hipp, the prototype updates Houlihan's with a less eclectic decor. While still casual, the atmosphere is more refined.

Houlihan's was the prototype "meet market" of the '70s and '80s, and nothing could be more indicative of the changing face of casual-theme dining than the fact that the restaurants now offer crayons, placemats, animal crackers, and balloons for young customers.

"The casual-dining segment as a whole has less of a bar image than 10 years ago," says Hipp. "As we lose our bar image, we become more acceptable to families, so we try to make it easy for parents to bring their kids without being embarrassed."

Kansas City, MO-based Creative Restaurant Management (CRM) was created in 1988 when 16 one-of-a-kind or nearly one-of-a-kind restaurants were spun off from Gilbert/Robinson Inc., which retained its core Houlihan's and Darryl's.

The restaurants, which now number 21, include five Annie's Santa Fes, three Fedoras, three Fred P. Ott's, and a number of individual restaurants, from Lilly's & Crickets in Boston to Hogate's in Washington, DC.

Ken Hill, formerly president of Gilbert/Robinson Inc. before leaving to develop the T.J. Cinnamons bakery chain, recently was requested by Creative Restaurant Management's board of directors to come on as president and chief executive officer. "CRM was bought through an LBO, and—typical of many LBOs recently—projected numbers weren't reached," says Hill. "The company ran into problems with

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Figlio offers high-quality food at reasonable price/value.

the details of the LBO itself, not with the restaurants themselves."

As a result, expansion is on hold at present, although one Annie's Santa Fe will open in Kansas this year. "We're working on fine-tuning existing properties, making sure they are at optimum levels," says Hill.

Among successful regional chains is Atlanta-based Houston's, with some 20 units scattered through several states. Houston's continues to attract praise for its operations. The first Houston's opened in the late 1970s, with George Biel as president. Decor is conservative, with rich, dark woods, and the prices are at the upper end of the segment.

Houston's reportedly posts the highest unit sales of any of the segment's large chains (estimated at $4 million annually), and the company's success is so noticeable that Chili's CFO Parrish uses Houston's as a basis of comparison in describing that company's new concept, Regas Grill.

Chicago's Lettuce Entertain You Enterprises has long been viewed as a trendsetter in the casual-theme dining segment. Its 30 restaurants exemplify the elements that define casual-theme dining: lots of fun communicated through interesting and unusual decor and atmosphere, combined with interesting menus.

LEYE's concepts range from Bub City Crabshack and Bar-B-Q to Hat Dance, where Japanese-Mexican cuisine is served in an all-white post-Mayan setting. In between are trendy Italian restaurants such as Tucci Benucch and Tucci Milan, a French bistro called Un Grand Cafe, and Ed Debevic's diners.

LEYE's The Eccentric is an American brasserie serving cuisine influenced by Italy, France, and England with such specialties as grilled salmon, Pepper Steak à la Fritzel, Pummeled and Thwapped chicken, bow-tie pasta and banana-chocolate brulée. The Eccentric offers four separate dining areas, including the English Club, French and Italian cafes, and the American bar, showcasing works by over 100 Chicago artists.

In the New York City area, Restaurant Associates continues to be a major factor in casual-theme dining. (See related story in this issue on page 143.) At this point, RA's main vehicle for expansion is Panevino, an Italian restaurant. One unit is open in Livingston, N.J, with another expected to open in Eatontown, N.J, in December. Twelve to 15 units will open over the next three to four years, says John Harding, vice president and director of marketing and advertising.

The restaurant's menu offers a thin-crust pizza section, a carpaccio section, appetizers, specialty main courses, freshly made pastas, and desserts. Individual pizzas are baked in a wood-fired brick oven.

The restaurant is designed to be reminiscent of a Tuscan farmhouse, with terra-cotta floor tiles, colorful ceramics, and sturdy Mediterranean chairs typical of roadside trattorias and fishermen's cantinas all over Italy.

In terms of price, the segment is well-placed.

Restaurant Associates is also opening a new restaurant in Manhattan's Pan Am building, near the company's 25-year-old Trattoria. The restaurant's working name is Aqua Farina, and the emphasis will be on take-out and casual dining. The menu will include focaccia bread sandwiches, pasta salads, baked goods, and specialty coffees.

In Phoenix, the Big 4 restaurant group continues to enjoy a reputation for creativity in the casual-theme din-

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Ground Round recently rolled out a new menu.

ing segment. While some operators have been moving away from the use of themes, two of Big 4's newest restaurants show that themes can still contribute a great deal to a restaurant's fun atmosphere.

Cafe 66, located in a multiuse development in Phoenix's financial district, was inspired by the traditional roadside diner, but goes one step further. Instead of mimicking the interior of a real '50s diner, Cafe 66's atmosphere gives the feeling of zipping along Route 66 in Arizona. Walls are painted caution-sign yellow, furniture is bright red, and stop signs hold menu boards. The floor is black concrete, to simulate asphalt. The Arizona Department of Highways even obliged by painting road markings on the floor.

A huge mural on one wall depicts scenery along the highway and suspended signage gives highway directions. Recalling the many trading posts along Route 66, columns are wrapped in Indian rug motifs, and the serving counter front is covered in a black and white pony skin laminate.

The second restaurant, Aldo Baldo, makes use of a fictional inventor, and the 5,000-sq.-ft. restaurant is his workshop. His failed experiments—weird, broken machines composed of spare parts—are located throughout the restaurant. The open kitchen is an unusual combination of geometric shapes, and a raised dining area is trapezoidal in shape. A vault overhead contains floating spheres.

A Vespa motorcycle is parked by the front door, as though Aldo has just arrived. The menu advises customers that many inventions of note should really be credited to Aldo; for example, Ford didn't really invent the auto, and the Wright Brothers didn't invent the airplane. The hostess and servers wear custom jewelry made from pieces of Vespa brake cable and small kitchen equipment.

Neal Norman of Phoenix's Cornoyer-Hedrick, architects and designers for Cafe 66, notes that because of high costs, many restaurant companies seek designs that cut down on cooking space by sharing facilities. Cafe 66's kitchen is very small, because some cooking is done in the kitchen of another new Big 4 restaurant, Arizona Terrace. Arizona Terrace, with a country club atmosphere, is located in the same development.

Savories is one of Restaurant Associates' theme restaurants.

Theme concepts still need to incorporate a healthy dose of fun.

A new chain attracting attention is Nashville-based O'Charley's, which operates 24 units. Six more are slated to open in the near future. The company's 1989 systemwide sales reached $36 million.

O'Charley's is the creation of Dave Wachtel, former president and chief executive officer of Shoney's Inc. The restaurants have a fairly limited menu, which changes with the season. Emphasis is on serving good food at reasonable prices, with good service. Decor in newer units is more upscale, featuring historic artifacts.

THE GRADUATES. A whole generation of foodservice entrepreneurs graduated from Houlihan's, Bennigan's and Friday's, and they have come to a stage in their careers when they have opened their own restaurants.

These young operators have retained the casual ambience and the high energy so typical of casual-theme restaurants, but they have added their own signatures.

Typical of these second generation casual-theme restaurants are Paradise Diner, City Seen, and Coyote Grill in Kansas City, MO, all owned by Bill Crooks and Paul Khourey. Crooks and

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Khourey worked many years for Gilbert/Robinson Inc.

"Our restaurants offer the same energy and the same prices as the casual-theme dining chains, but we put more emphasis on food," says Crooks. "We're really food driven." The restaurants feature open kitchens to focus attention on the food and use all fresh ingredients. Food costs probably run higher, Crooks notes, but overhead is lower. "We don't have that corporate lug," he notes.

"We do a lot of research," says Crooks. "We take our chefs to Dallas, Los Angeles, and San Francisco to see what's going on."

Their first restaurant, Paradise Diner, is located in a prosperous Kansas City suburb. Seating about 75 people in about 2,200 sq. ft. of space, the restaurant opened in 1987 and posts sales of about $1.5 million yearly, says Crooks. Located in a large shopping mall, it is laid out like a diner but doesn't serve diner food. The place is oriented toward families, offering a children's menu.

The second restaurant, Coyote Grill, is also in the suburbs and takes the American Southwest as its inspiration. With 119 seats, the restaurant will do $2.5 million in sales this year, says Crooks.

Appetizers include a barbecued shrimp enchilada. Entrees include Gulf shrimp marinated in an ancho chile puree, grilled and served with jalapeño cilantro. Also available are salads and sandwiches such as a smoked chicken club with chili mayonnaise on focaccia bread. A taco section offers six soft tacos with fillings ranging from shrimp to fresh sautéed vegetables and sun-dried tomatoes.

The pair's newest restaurant is City Seen, located in downtown Kansas City near the Convention Center. Just opened last December, the restaurant is located in an office complex, but has its own outside signage and entrance.

The restaurant is clublike in atmosphere, with lots of wood and walls covered with canvas painted by a local artist. The back bar is tile mosaic. City Seen seats 155.

Chains are now expanding cautiously.

The menu is eclectic, with appetizers ranging from Vietnamese spring rolls to seared rare beef tenderloin with Thai chili paste mayonnaise. A half dozen salads are available, in both full and half sizes. A typical salad is grilled marinated flank steak with sautéed shiitake mushrooms on a bed of greens with fermented black bean vinaigrette. Sandwiches range from a hamburger topped with smoked gouda cheese to a BLT on focaccia bread. Entrees range from rack of lamb with a roasted hazelnut fig demiglaze to angel hair pasta with saffron sauce and scallops.

A new restaurant will open in December on Kansas City's posh Country Club Plaza. Unnamed as yet, the restaurant will be "almost Mediterranean" in feel, says Crooks, and will offer food served on platters for the whole group to share.

THE FUTURE. Despite the fact that most players are doing well, observers agree that the casual-theme dining segment is harder to enter today.

"Locations are hard to come by and the costs of building are high," says CRM's Ken Hill." The opportunities are not as great as in the early '80s by a long shot."

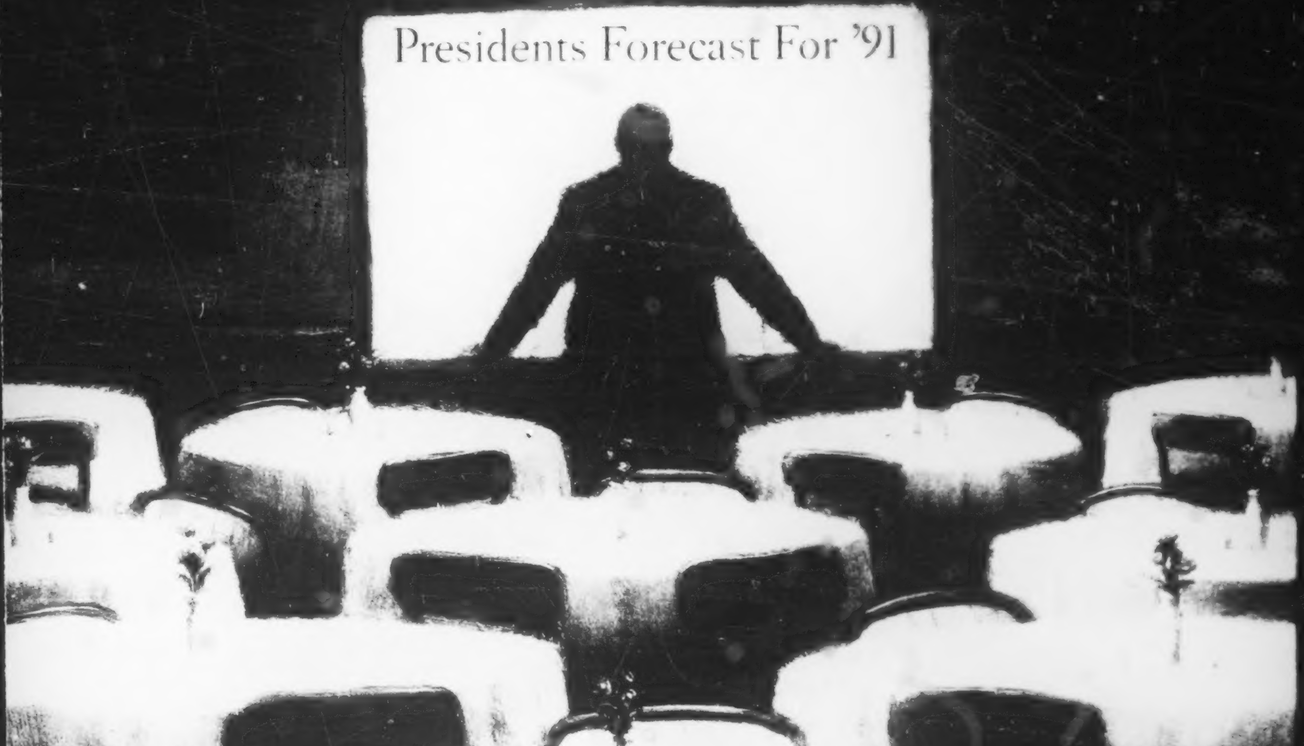
And the country's uncertain economic climate is affecting restaurant patrons' spending habits, as well. "Gasoline is expensive, and the customer draws out of the same envelope to go to a restaurant as to buy gas," says Gilbert/Robinson's Fred Hipp. "He'll go where he's sure he'll have a good experience. Unprofessional operators will be culled out." **RB**

DECEMBER 10, 1990
A BILL PUBLICATION

RB

RESTAURANT BUSINESS

Who's Coming To Dinner?



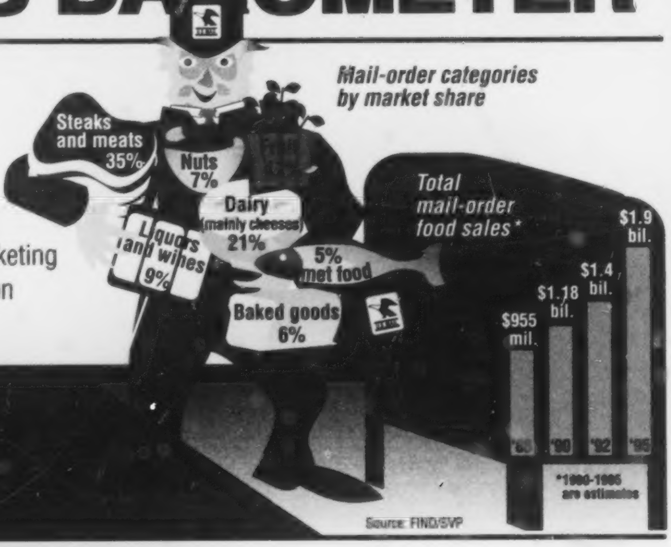
Presidents Forecast For '91

THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

Mail-Order Foods Small But Growing Market

Sales of mail-order foods is growing about 10% annually. However, it is still a relatively small segment of the direct marketing industry; less than 2% of the U.S. population buys food by mail.

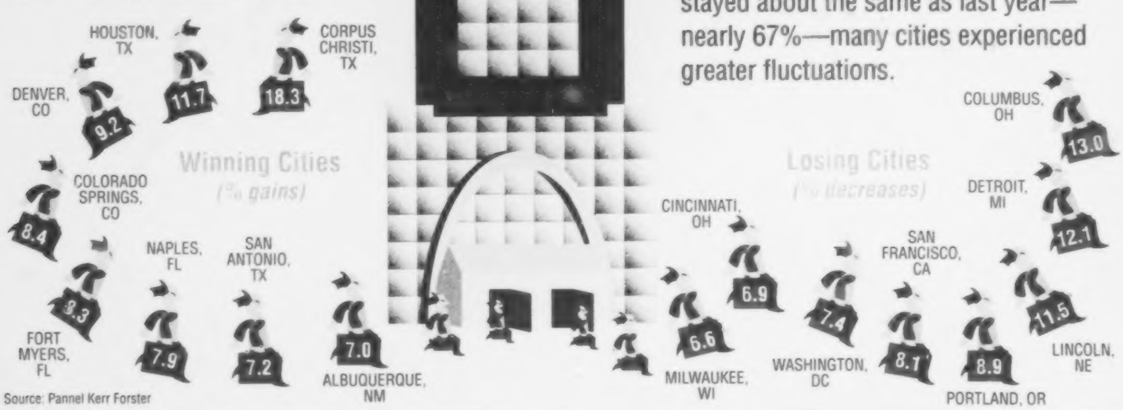


*1990-1995 are estimates

Source: FIND/SVP

Hotel Occupancy Rates Show City Differences

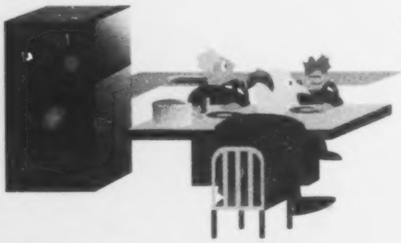
Although the nationwide average for occupancy rates for the first half of 1990 stayed about the same as last year—nearly 67%—many cities experienced greater fluctuations.



Source: Pannel Kerr Forster

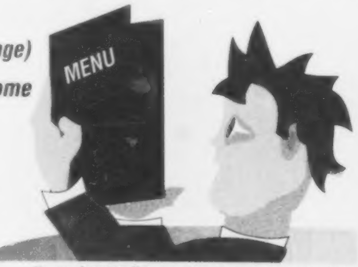
Food Spending Impacted by Age

The average American household spent $4,017 on food and alcoholic beverages in 1988—16% of the total household budget. But spending on food varies widely by age. The biggest food spenders are between 35 and 54.



Average Annual Expenditures *(by age)*

	At home	*Away from home*
under 25	$1,121	$1,334
25-34	2,046	1,618
35-44	2,599	2,037
45-54	2,605	2,210
55-64	2,355	1,597
65-74	1,933	1,081



Charts by Peter K. Niceberg

Source: American Demographics, Bureau of Labor Statistics

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COVER STORY

PRESIDENTS FORECAST **WHAT'S AHEAD IN '91.** Cautious growth, the economy, and shifting priorities were the keynotes sounded as 10 top foodservice executives examined the issues of the rapidly approaching new year and beyond for the restaurant industry. *RB*'s ninth annual Presidents Forecast Roundtable, held at the Waldorf-Astoria in New York City, brought together leaders from every industry segment Although the outlook they present is sobering, there will be opportunities for well-managed companies to grow. **99**

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Cover illustration by David Shannon

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MENU MERCHANDISING GUIDE .... Part II

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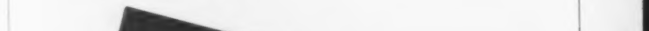
Reprints of the **1990 RESTAURANT GROWTH INDEX** and **1990 MAJOR FORCES IN FRANCHISING** are available for $7 per copy. Direct inquiries to Editorial Director Peter Berlinski, *Restaurant Business*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

COVER STORY: COST CUTTING IN THE '90s. The rules of the game are changing. In order to maintain profit margins and curtail shrinking check averages, operating costs have to come down. Operator Bill Main, owner of The Shore Bird in Princeton-By-The-Sea, CA, will take a look at the cost of marketing, food, labor, utilities, real estate, and waste. West Coast Editor Kevin Farrell will provide an operator round-up that will include interviews with both chains and independents and will detail what they're currently doing or plan to do to cut costs.

MARKET SEGMENT REPORT: HAMBURGER. Though the all-American hamburger remains a patron favorite, the heavy hitters in this segment have found that the way to increase profit margins is through menu diversification. At the same time, small regional chains continue to vie for market share with streamlined menus.

DRAFTS, CARAFES & SPIRITS: WORLD CLASS WHISKIES. Blue-chip spirits provide exciting merchandising opportunities and profit margins to ring in the New Year.



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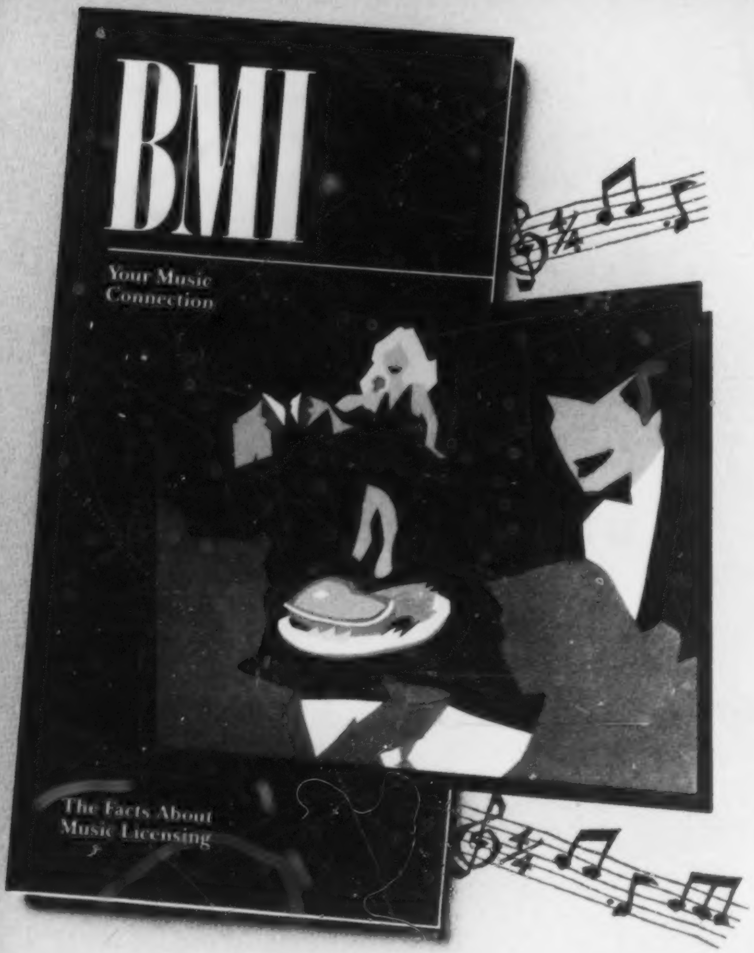

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SANDWICH

MARKET SEGMENT REPORT

Low start-up costs boost unit expansion.

By Jacque Kochak

Port of Subs offers 18 varieties of submarine sandwiches and 6-ft.-long sandwiches.

Once viewed as unworthy of serious consideration, the sandwich has been attracting a lot of attention lately. Low start-up costs for sandwich shops have encouraged growth.

One company, Milford, CT-based Subway Sandwiches, has single-handedly brought the sandwich segment into focus with its aggressive expansion. In just a few years, the company has grown to 5,010 units worldwide, 4,800 of those in the U.S. By the end of 1991, the company expects to have 6,200 units, says president Fred DeLuca.

"There's a lot of growth in the sandwich segment because Subway has opened so many units," admits Tony Conza, president of competitor Blimpie's. "But they paved the way for us. Now we don't have to convince customers to eat a submarine. We just have to convince them to eat a Blimpie."

The segment's growth seems to be fueled at least partly by the customer's perception that sandwiches are a healthy lunch choice. Other factors are at work, as well, points out Atlanta-based Arby's executive vice president of marketing Larry Krueger. "Satiation is a factor. How many times can you eat a burger?" he says. "And until recently, there weren't that many choices, so the availability of sandwiches is a factor. Finally, the consumer's tastes are maturing. He's looking for something different."

But, despite the much-vaunted popularity of sandwiches, a recent CREST study (conducted by the Park Ridge, IL-based NPD Group) that examines consumers' regional food preferences shows that both roast beef sandwiches and submarine sandwiches are among the fastest-declining menu items in the Northeast. By contrast, chicken sandwiches are among the fastest-growing menu items.

And, in the last few years, the number of restaurants specializing in sandwiches other than hamburgers has exploded. The unit growth rate has been so phenomenal, in fact, that some critics say leading sandwich purveyors are in the franchising sales business, not the restaurant business. Only time will tell whether the increased avail-

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ability of sandwiches at so many small units across America will mean dramatically increased consumption.

LIMITATIONS? Most of the sandwich shop operators are in a completely different business than burger high-rollers like McDonald's and Burger King. They're even in a different business than an Arby's or a Rax, both positioned squarely against mainstream fast-food operators.

While a sandwich shop typically grosses $200,000 to $300,000 a year compared to at least $700,000 for a concept like Rax Roast Beef (and well over $1 million for a McDonald's), the investment is also much smaller. A franchisee can open a Blimpie's, for example, for $80,000. It costs $600,000 to $650,000 for a Rax land and building package.

Such sandwich concepts are not without limitations, however, say critics. "The nice thing about a Subway is that a unit can be opened at a relatively low cost," says Arby's Krueger. "But there is no equipment other than an oven for baking bread, a microwave, and a slicer for meat, so the ability to grow within the same unit is somewhat limited."

The typical sandwich shop's slow service system is also a factor, he says. "If they can make one sandwich every minute, that's 60 sandwiches in an hour's time. We are geared for much higher volume. And most don't have drive-thrus; 35% to 45% of our business is drive-thru."

THE SUBWAY STORY. In the past year, Subway added 1,100 stores, a rate that has been maintained for several years. "Our speed of opening actually seems quite slow to me right now," says president DeLuca. "That's less than a 25% increase in terms of units. In 1987, we started with 991 units and ended the year with 1,810, an 83% increase. That was a tough year, and we had to work hard. Now everything's in place to handle expansion."

Even with Subway's explosive expansion, DeLuca says that he sees room for more. "We still don't have a terribly high density of stores when you look at McDonald's," he says. "We hope to have 8,000 units by 1995."

Subway recently added two new sandwiches to its menu, a seafood and lobster sandwich and a spicy Italian sandwich, made with pepperoni and Genoa salami. Under test is a breakfast program, being offered in about 50 stores. Available are two breakfast sandwiches, one on pita bread and one on a croissant.

Systemwide sales this year reached $1.2 billion, with average unit volumes of about $250,000.

FAST-FOOD ALTERNATIVE. Atlanta-based Arby's is positioned squarely against traditional fast-food operations such as McDonald's and Burger King, and although the company operates fewer units than Subway, systemwide sales topped that company's. The chain doesn't divulge average unit volumes, but they are substantially higher than most sandwich chains.

Arby's 2,360 units posted 1989 systemwide sales of $1.3 billion, a 13% increase over the previous year.

Arby's, which originally built its reputation on a roast beef sandwich, introduced a number of new sandwiches in the last year. In addition to a French

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Sandwiches are perceived as a healthier luncheon choice.

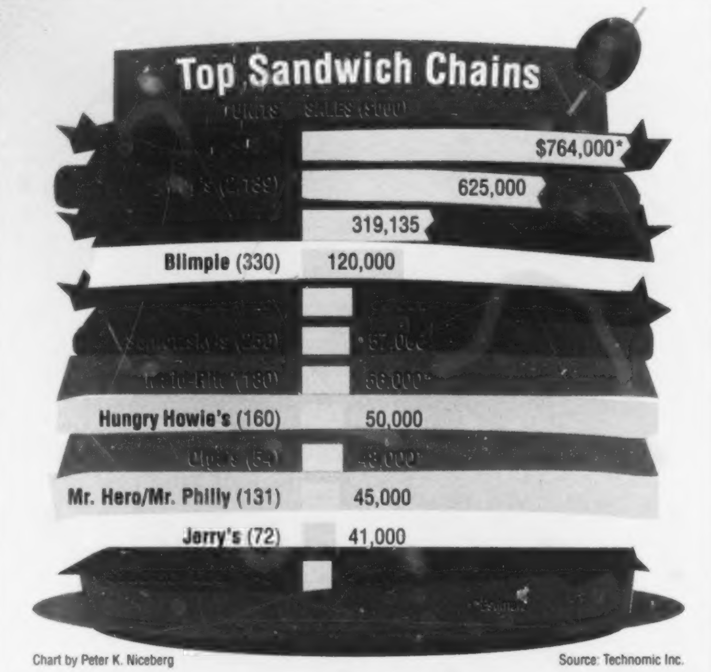

Chart by Peter K. Niceberg

Source: Technomic Inc.

SANDWICH

MARKET SEGMENT REPORT

Arby's recently added a new line of French dip sandwiches.

The equipment package for a sandwich shop is fairly simple.

dip sandwich and a French dip and Swiss sandwich, Arby's added a line of "classics." The classics, selling for 99 cents, hold a smaller amount of meat but come dressed with a variety of toppings, including bacon.

Promotional offerings have included a double-decker sandwich selling for $1.99 to $2.29, as well as a triple-cheese melt consisting of roast beef on a submarine roll with Swiss cheese, shredded cheddar cheese, and a thick Parmesan cheese sauce. Also made available this year was the Albuquerque Turkey, on a poppyseed bun with a jalapeño mayonnaise dressing. A grilled chicken sandwich will be available in the spring, and a "Golden Hits" promotion scheduled for mid-winter will bring back two old favorites, a bacon cheddar deluxe and a beef and cheddar.

Arby's strategy is to hold the menu to 13 sandwiches, with five or six of those required by franchisees. If any sandwich attracts less than 3% of sales, a franchisee is urged to take it off the menu and offer another selection. "Anything that can be sliced fits into Arby's format," says Krueger. "I think we're fairly well-poised to capitalize on the interest in sandwiches. We've worked for the last four or five years to create an identity as an alternative to the hamburger."

Columbus, OH-based Rax Restaurants Inc. is also in the broad-based sandwich business. The company operates 450 units in about 70 different markets, 70% of them franchised. Total systemwide sales in 1989 topped $350 million, with units averaging $700,000 in sales annually. "In the last year or so, Rax has made the switch from a relatively unfocused position to a main-line fast-food operation offering sandwiches," says Vince Webb, Rax's executive vice president of marketing.

Like many other fast-food operators, Rax has added a "Super Saver" menu of several sandwiches available for under $1.

Included are a bacon cheddar melt with roast beef, Swiss cheese and bacon for 99¢ and a cheddar melt for 89¢. Four or five other sandwiches are under development, all with an ounce and a half to two ounces of meat.

A NEW NICHE? Fort Lauderdale-based Miami Subs is attracting attention because of its new president: Ron Petty, former president of Burger King. Petty says he was attracted to the concept because he believes Miami Subs fills a unique niche, on a scale somewhere between the McDonald's and Burger Kings of the world and the Chili's and TGI Friday's.

Miami Subs offers a broad sandwich menu with everything from hot and cold submarines to gyros, burgers, and broiled chicken breast sandwiches, as well as pita pizzas. Hot wings are also offered, along with a variety of salads and desserts, including frozen yogurt, Key lime pie, and cheesecake.

With Miami Subs, Petty hopes customers will build a kind of brand loyalty. Because the menu is much broader than typical fast food, the customer can eat at a Miami Subs several times a week. Yet Miami Subs offers the convenience, speed, and prices of fast food, with an average check of $5.40, a drive-thru window, and self-service. Everything is prepared to order, using fresh produce and ingredients. Miami Subs units are freestanding, with bright art deco exteriors.

While the current economy is making other operators nervous, Petty sees opportunity. Miami Subs converts failed restaurants at a cost of $150,000 to $250,000. "We've taken over Wendy's units, Rax units, Popeyes units, and

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Brown's Chicken units, and—without exception—we have doubled the volume," says Petty. Annual unit sales average $1 million.

The company now operates 54 units, only eight of them company-owned. Petty projects that by the end of 1990, with the real estate now under contract, the company will be operating 100 restaurants, all of them in Florida. Miami Subs will venture outside of Florida in '91.

ATTRACTING DINNER BUSINESS. One problem for sandwich shops is that their business comes primarily from lunch. Schlotzsky's, a 250-unit sandwich chain based in Austin, TX, has been successfully testing a pizza product to attract dinner customers after 4 p.m.

"The test is going great," says B.J. Rosow, Schlotzsky's vice president of marketing. "We're selling 200 to 250 pizzas a week in units where pizza is being tested."

Four varieties are available: an original, a double cheese and pepperoni, a vegetarian and a cheese pizza. The crust is made out of the same sourdough bread base that is baked fresh daily in the units for sandwiches.

Schlotzsky's, founded in 1971, serves a round sandwich based on New Orleans' distinctive muffaletta. The hot sandwich is stuffed with three meats, three cheeses, lettuce, tomato, mustard, black olives, and onions.

The largest number of Schlotzsky's units are clustered in Texas, with others concentrated in Las Vegas, Albuquerque, and throughout the Southeastern U.S. For the next several years, Schlotzsky's will probably open 50 units a year, about 75% of those franchised, says Rosow.

New York City-based Blimpie's has been going through measured changes recently, in preparation for a major expansion push. The company, which operates some 400 units in 21 states, had diversified into full-service restaurants in the 1980s, says president Tony Conza. Called Border Cafes, all the full-service units but one in Manhattan have now closed.

Blimpie's main vehicle for expansion is subfranchises. "In the past year, we've gone from 16 area developers to 32 in different parts of the country. In practice, they are our partners in the areas, and share in all revenues," says Conza. Conza projects that 50 area franchisees will be signed by the end of next year, and they will be committed to opening 300 new units a year.

Blimpie's sells both hot and cold sandwiches served on Italian bread, as well as salads. The company started baking its own bread six months ago, and all new stores are equipped with bread-baking facilities. Last year, Blimpie's added pita bread sandwiches to its menu. This "Lite" menu offers sandwiches at under 300 calories apiece. The company also has added a meatball sandwich and a steak-and-cheese sandwich.

The cost to open a Blimpie's runs about $80,000, says Conza. Emphasis is on renovating existing sites.

Many chains now bake their bread on premise.

Blimpie's average unit volumes are about $320,000, but Conza cautions that a large number of New York City units bring that total up. Systemwide sales reached $120 million for 1989.

Hamilton, OH-based Great Steak & Fry Co., owned by Nicor Management, has carved out a position for itself as the leading purveyor of Philly cheesesteak sandwiches. By the end of the year the company will be operating 84 units, 32 of them opened this year.

Next year, however, president Nick Lanni predicts that growth will be

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Great Steak & Fry specializes in Philly cheesesteak sandwiches.

much more conservative. "We'll nurture the ones that we have already opened," he says. The Great Steak is a cheesesteak sandwich prepared with thinly sliced steak, provolone cheese, grilled onions, lettuce, tomato, and mayonnaise; it is available half or whole. The Super Steak adds mushrooms and green peppers. Also available are grilled ham sandwiches, a Veggie Delight, and a Chicken Philadelphia.

The company recently introduced salads with hot toppings such as stir-fried sirloin, turkey, chicken, and ham. Prices range from $2.60 to $3.10. Under test is a breakfast menu, using the same ingredients as in the cheese-steak sandwich, mixed into an omelet base, and folded into a toasted bun. Debuting soon is a children's meal priced under $2, including a mini cheesesteak sandwich. Great Steak & Fry units post average unit volumes of $450,000 on an investment of about $150,000, says Lanni.

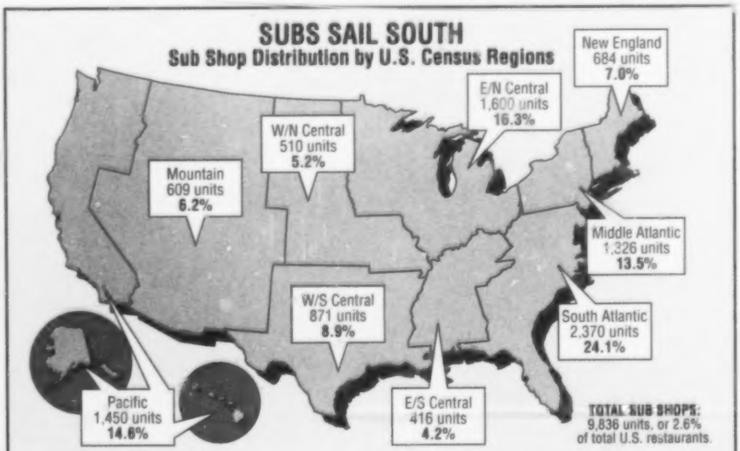
West Bridgewater, MA-based D'Angelo's Sandwich Shops, with more than 140 units in the Northeast, is unusual because unit volumes approach $600,000—much higher than most other sandwich concepts. Part of the reason is the breadth of the menu, with almost 50 selections available.

The menu runs the range from cold deli sandwiches to hot grilled sandwiches, such as steak and peppers or burgers. Salads range from an antipasto salad with slices of Genoa salami, ham, provolone cheese, and black olives to a Greek salad with feta cheese. "Pokket" sandwiches, made with baked-on-premise pita bread, were added several years ago. These sandwiches are filled with seafood or meat; a vegetarian pokket, served with grilled green peppers, fresh mushrooms, onions, and melted cheese is also offered.

Most D'Angelo's units share the premises with Chip's Ice Cream, which is staffed by the sandwich chain's crew and contributes additional revenues during off hours. D'Angelo's originally teamed up with Steve's Ice Cream, and that choice is still available to franchisees. Steve's Ice Cream doesn't offer frozen yogurt, however, so D'Angelo's developed Chip's, specializing in hard-pack frozen yogurt. D'Angelo's 2,400-sq.-ft. units are almost always located in strip shopping centers. They are preparing to expand outside of its New England base, down to Virginia.

A Midwestern chain, Omaha-based Little King Restaurant Corp., operates 100 units and is planning aggressive expansion in the next few years. "Subway is way ahead, but there's a lot of room for a strong number-two or number-three sandwich chain," says executive vice president Dave Potter. "Only so many chains can go national, and we want to be part of that top five. The window of opportunity will only be open for a few years."

The segment may already be getting saturated.


SUBS SAIL SOUTH
Sub Shop Distribution by U.S. Census Regions

Source: Restaurant Consulting Group Inc., RE-COUNT 1990

Map by Peter K. Niceberg

The company has just hired a new vice president of franchising and is concentrating on signing area developers in the Midwest and on the West Coast.

Little King's signature sandwich is a submarine on fresh-baked Italian or whole wheat bread. The units also sell soups, chili, and pizza whole or by the slice. The company's newest menu addition is a Philly beef and cheese. Made in the microwave, the sandwich is aimed at increasing dinner business.

Little King has recently begun downsizing unit interiors and adding drive-thrus to end-bays in strip shopping centers. Potter says that average unit volumes vary from $250,000 to $350,000.

Reno, NV-based Port of Subs, with 51 units open in the West, is moving cautiously. "Our emphasis is on increasing average unit volumes rather than on growing fast," says CEO John Larsen. Another 62 units are under contract to open, but after that, the expansion rate will slow. The 1,200-sq.-ft. to 1,400-sq.-ft. units are located in strip centers. The menu offers 18 varieties of sandwiches on bread that is baked on premise. Prices range from $2.75 to $4.95. Average unit volume is $255,000, says Larsen. The company has seen real growth of 3% to 4% over the previous year.

continued on page 130

Customers are looking for an alternative to hamburgers.

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On the West Coast, a company called Seawest Subs, based in Bellevue, WA, is expanding rapidly with small sandwich shops located primarily in strip shopping centers.

The first Seawest Sub was opened in 1980 by a former social worker, Bernie Kane. By 1985, his one shop had grown to 39 units. That year, he teamed with Jim Iseman, the current president, to form a new company expressly to franchise the concept. That new company, Seawest Sub Shops Inc., has overseen the opening of 73 franchised units, with another seven under construction and deposits obtained for an additional 43 units. Most of the shops are in Washington and Oregon, although a few are scattered as far away as Florida, Ohio, Illinois, and Massachusetts.

The shops sell a selection of deli-style sandwiches in three sizes, ranging up to a 2-lb. Destroyer. Hot sandwiches are also served, heated in a warmer. Cookies are baked in the store, and soups and salads are served. The stores emphasize take-out, so the blue, gray, and red units typically offer only 12 to 15 seats. Size of the stores is usually no more than 1,000 sq. ft., with strip center locations preferred.

Seawest Subs is notable because of unusually low startup costs. Typically, $45,000 to $65,000 is necessary to open a store, which includes a franchise fee of $15,000. Because the stores occupy small spaces, rent is often no more than $1,000 a month.

The franchising company's annual fee is also less than is usual, with a flat fee of $2,000 per unit charged the first year, $3,000 per unit the second year, and $4,000 through the tenth year.

THE FUTURE. There's no way to tell if all the proliferating sandwich concepts will succeed, but the public is certainly starting to notice sandwiches as a reasonable lunch choice.

"The broadly defined sandwich segment is where the growth is happening," says Rax Restaurant's Vince Webb. "People are actively looking for an alternative to the fast-food hamburger, but there is no decline in the need for convenience and value. I feel that chains with a variety of sandwiches are positioned well today." **RB**

JANUARY 1, 1991
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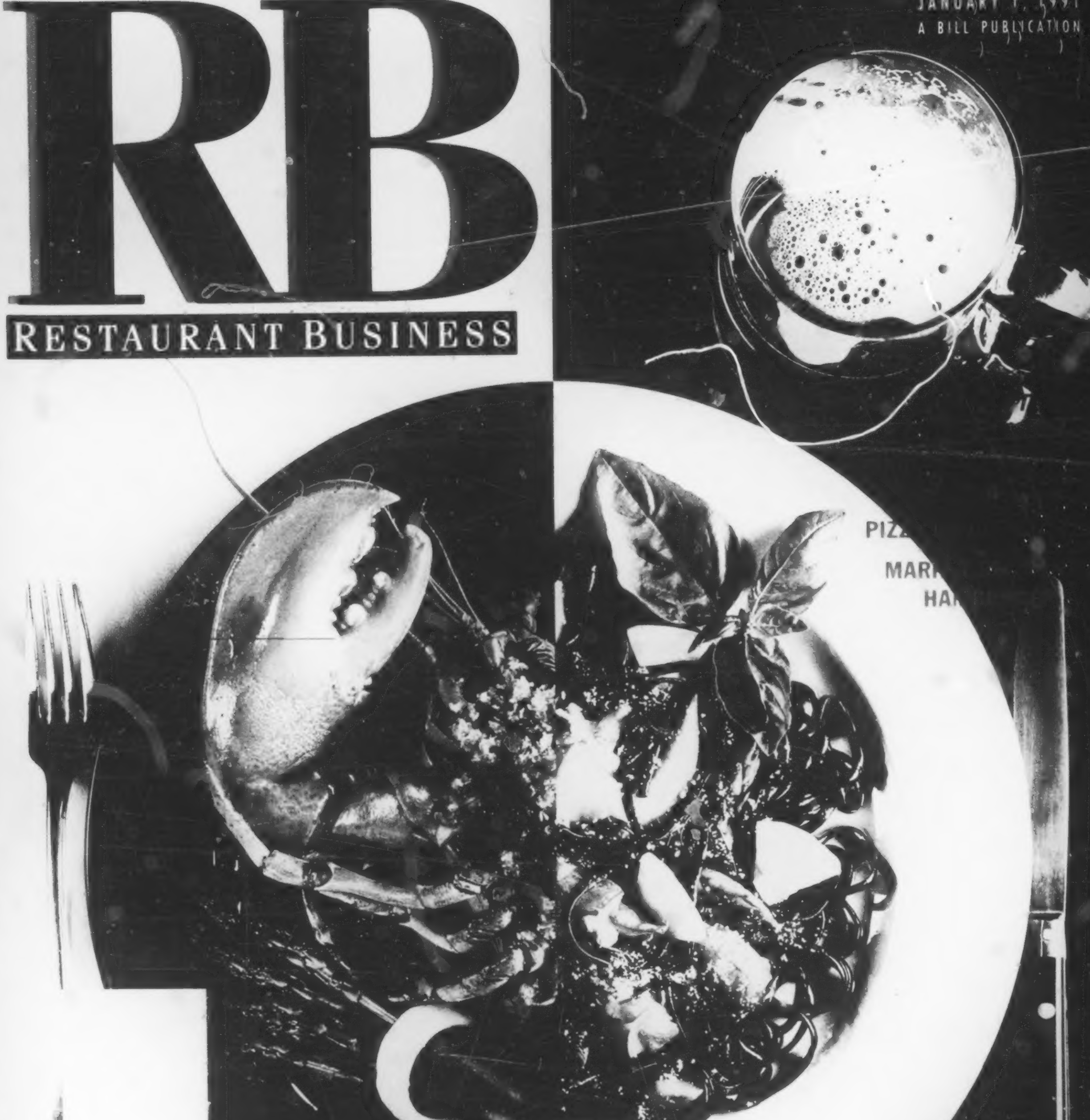

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How To
Cut Costs
and Keep Customers Coming

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COVER STORY: Operators are finding creative ways to cut costs. Pictured: a whole stuffed lobster becomes a pasta dish. Page 83

COVER STORY

OPERATIONS HOW TO CUT COSTS. To stay alive in today's highly competitive environment, you have to be prepared to adapt and change. Operating costs in every area have indexed upward, and yet prices cannot be raised proportionately because of patron price resistance. The marketplace and economy have forced restaurant operators in every segment to innovate and modify—just to maintain share. Restaurateurs are taking a wide range of approaches to cost cutting, including staff cuts, earlier closing hours, more bargaining with suppliers, and reduced marketing expenditures. **83**

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INDEPENDENT STAR CAFFE TUTTI. The pier area of Sausalito bustles early in the morning as Marin County commuters board the ferries that take them to San Francisco. For the last two years, those commuters have been able to stop in at Caffe Tutti before they board their boats, and they have taken full advantage of it. **71**

INDEPENDENT STAR DILULLO'S. Caffe DiLullo and DiLullo Centro in Philadelphia, which have special-occasion prices and posh surroundings, had a banner year in 1989—and 1990 was just as good. The restaurants continue to command favorable reviews for their classic Northern Italian cuisine and elegant ambience, and customer counts have managed to hold steady despite the softening local economy. **77**

MARKET SEGMENT REPORT HAMBURGER. It's a truism that hamburger restaurants face escalating competition in their mature, saturated segment. However, political and socioeconomic events in recent months promise to make the situation even tougher and more unpredictable than ever before. Traditionally, fast-food sales have held up in down times, as customers reduce their discretionary spending on big-ticket items and luxuries. But this time around, it may be different. Newly frugal customers are taking a closer look at the value they receive from the major fast-food chains. **95**

WARES, ETC. DINING ROOM CARTS. Mobile equipment has been used extensively in kitchens for years but it also plays an important role in the front of the house. Carts can be used for everything from displaying desserts at the front door to acting as a platform upon which an entire dinner is prepared. **140**

FOOD AND BEVERAGE

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Cover photography by Don Kushnick
Food styling by Scott Allmendinger

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MENU IDEAS PIZZA BY DESIGN. Sales of pizza have grown from $11 billion in 1984 to over $17 billion in 1989, and restaurant pizza purchases by far represent the largest segment of the total pizza market. Not surprisingly, national and regional pizza chains as well as independent operators have ambitious plans to carve out an even larger portion of the pizza pie. In fact, of the 10 operators interviewed for this story, seven have major expansion plans set for the next two years. Success in the pizza game means developing a product that will really sell, because the competition is fierce. 127

CHEF'S ART DAVID SOOHOO. At Chinois East/West in Sacramento, chef David SooHoo serves food that is influenced by both ends of the compass. 132

PRO'S PANTRY SEASONAL FORECAST. This detailed look at market-basket prices will help you plan your menu. 135

PIECE MEAL CHIMICHANGAS. Like the eggroll, the calzone, and the Russian pierogi, the chimichanga is another variation on a theme—stuffed, rolled, deep-fried dough—that proves continuously popular. 137

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IN THE NEXT ISSUE

COVER STORY: ANATOMY OF A FAILURE. Anyone who enters the restaurant business knows they enter at their own risk; failure rates and financial losses incurred are high. This article takes an in-depth look at two operators who didn't fare as well as they had hoped: Patrick Clark, former chef/owner of Manhattan's widely acclaimed Metro, and Brion Foulke, founder, chairman, and president of the Ft. Lauderdale-based Taco Viva.

MARKET SEGMENT REPORT: ITALIAN. At a time when operators in all segments have to rethink expansion strategies, the Italian segment remains amazingly healthy. Traditionally dominated by independents, this segment has continued to experience chain growth in 1990. Patrons' perception of Italian food as healthy, coupled with its popularity as the number-one ethnic cuisine have contributed to its steady growth. For operators, low-cost, high-profit menus have made bottom lines flourish.

DRAFTS, CARAFES: AFTER-DINNER DRINKS. When winter winds blow, warming potions raise patrons' spirits and operators' average check.

TEST KITCHEN:
Pizza, p. 127.

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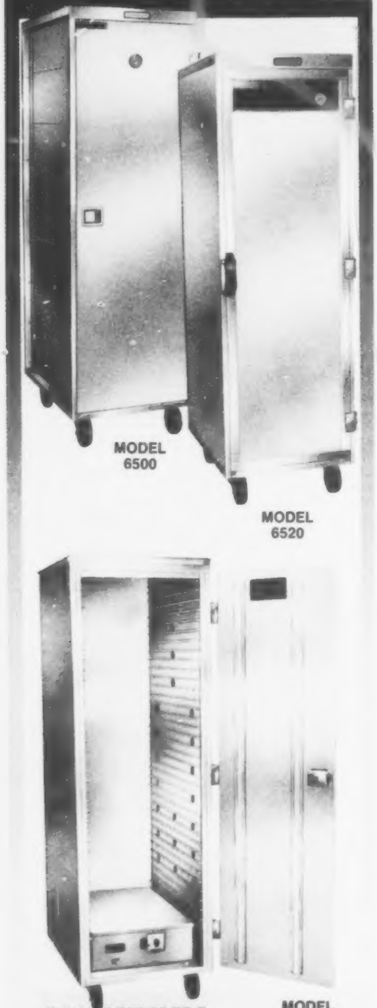

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MARKET SEGMENT REPORT

HAMBURGER

By James Scarpa

It's a truism that hamburger restaurants face escalating competition in their mature, saturated segment. However, political and socio-economic events in recent months promise to make the situation even tougher and more unpredictable than ever before. Traditionally, fast-food sales have held up in down times, but this time around, it may be different. Newly frugal customers are taking a closer look at fast food's value.

BAROMETER. Many restaurant observers regard Oak Brook, IL-based McDonald's Corp. as a barometer of the health of both the industry and the segment. However, recently they saw cracks appear in Big Mac's mantle of invincibility. They saw McDonald's string together eight straight quarters of slumping same-store sales.

Consumers are concerned about fast-food calories.

Observers also saw the world's largest hamburger chain appear vulnerable to pressure from media-savvy health and environmental groups. Last year, a health crusader bought full-page national newspaper ads headlined "The poisoning of America," assailing the fat content of McDonald's food. An *Advertising Age*/Gallup follow-up poll reported that people were eating less at McDonald's and other fast-food chains as a result. Moreover, relentless pressure from environmental activist groups influenced McDonald's recent abrupt decision to abandon the polystyrene foam "clamshell" hamburger box.

Of course, McDonald's still holds a commanding lead in the segment, with its 1989 U.S. systemwide totals of 8,270 units and $12 billion sales. Its response has been to fight against price-cutting competitors with its own selective local discounts and to increase new product development.

These days, banners hang on many McDonald's promoting 99¢ Big Macs and 25¢ specials on coffee and yogurt cones. And, McDonald's has launched pizza in more than 200 stores. It is also test-marketing a number of new items, from fried chicken to fajitas to submarine sandwiches to a whole new concept—the Golden Arch Cafe. It has improved its health perception

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Jack In The Box, the fifth largest hamburger chain, is known for its new product innovation.

MARKET SEGMENT REPORT

HAMBURGER

by rolling out nonfat frozen yogurt and nonfat shakes, and switching to an all-vegetable frying fat. At press time, it had just announced a limited test of the Lean Deluxe—a 91% fat-free ground beef sandwich.

Miami-based Burger King Corp. paused from its turnaround struggle to run full-page national newspaper ads mockingly acknowledging McDonald's switch from polystyrene and congratulating itself for using paper packages since its founding in 1954.

YAWNING GAP. BK's situation under Grand Metropolitan PLC of London has improved compared to its last days under Pillsbury Corp., but there remains the yawning gap separating it from the number-one burger chain. It finished 1989 with U.S. systemwide totals of 5,387 units and more than $5 billion in sales.

The company is being reorganized into five divisions: Burger King Retail Division, Franchise Sales and Service, Real Estate, Burger King Distribution Services, and International. Each department is headed by a president who reports to CEO Barry Gibbons. Consequences of the plan include layoffs of more than 300 and the closing of seven of its 19 regional offices.

An unusual provision of the plan calls for the roughly 875 company-owned stores in the newly formed Burger King Retail Division to be treated much the same as franchised stores.

BK is dropping its "Sometimes You've Gotta Break The Rules" theme in favor of "Breaking The Rules Just For You," due to franchisee criticism that the original slogan advocated illegal behavior.

New products have been rolled out over the past year at a much faster pace than during the troubled Pillsbury years. The most notable success is the BK Broiler chicken sandwich. Other rollouts include a line of Double Cheeseburgers; Pick 'Em Ups chicken strips, a finger food in a cartoon-decorated package; and Burger Buddies, mini cheeseburgers. BK has also switched to an all-vegetable frying fat.

Intriguingly, four Burger King stores in Columbia, SC, are testing Domino's Pizza's 6-in. Pizzazz pizzas.

REORGANIZING. The number-three burger chain, Rocky Mount, NC-based Hardee's Food Systems, is likewise reorganizing its management. It finished 1989 with U.S. systemwide totals of 3,291 units and $2.9 billion in sales.

The Imasco Limited subsidiary took a one-time $8 million charge against earnings in the third quarter ended September 30, 1990, to cover a management force reduction, including incentives for early retirement and voluntary separation. Hardee's cited that charge, plus the weak economy and stiff competition, to account for its 49% decline in operating earnings in the quarter, down to $22.6 million.

On the upside, Hardee's $365 million acquisition early last year of 648 Roy Rogers restaurants from Marriott Corp. gives it a potential major boost. At press time, 300 Hardee's units had been outfitted to sell Roy Rogers' chicken, and 200 Roy Rogers had been converted to the Hardee's signage.

Hardee's expansion plans emphasize franchising rather than company store growth as it pays off the acquisition. It

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Frugal customers are taking a closer look at fast food's value.

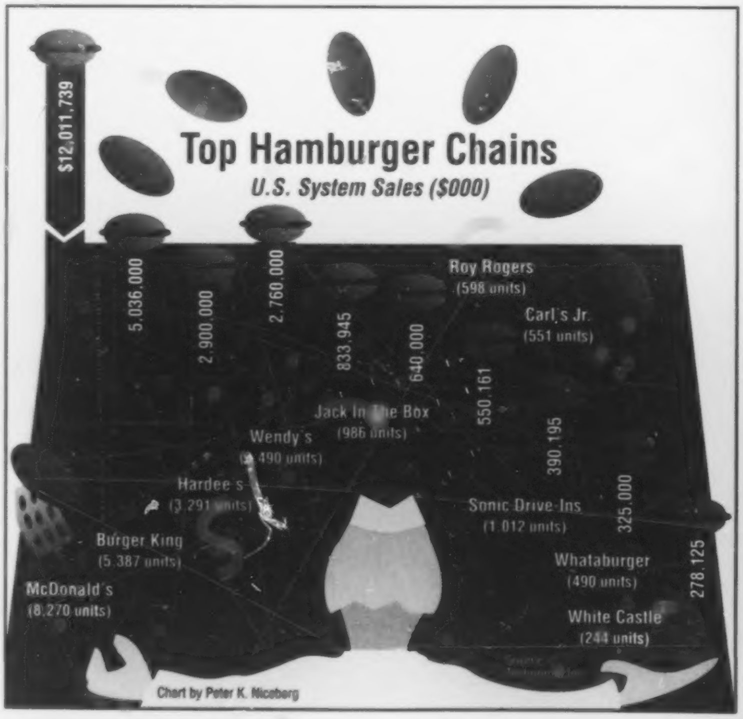

Chart by Peter K. Niceberg

MARKET SEGMENT REPORT

HAMBURGER

White Castle celebrates its 70th anniversary this year.

Double drive-thru-only concepts are expanding rapidly.

has targeted greater Chicago—McDonald's back yard—as a major growth area, projecting 200 new franchised stores there.

OPTIMISTIC. One of the segment's few sources of optimism and high spirits these days is Dublin, OH, home of Wendy's International Inc. The segment's number-four player, with 1989 U.S. systemwide totals of 3,490 units and $2.7 billion sales, is decisively reversing its mid-1980s tailspin.

In the third quarter ended September 30, 1990, Wendy's earnings increased 45% to $12.7 million, compared to $8.7 million in the same period of 1989. In fact, the company's earnings for the first three quarters of 1990 totaled $31.5 million, exceeding the $24.7 million for the entire previous fiscal year.

"We will have our highest profit in four years this year," says vice president of communications Denny Lynch. "We've already undergone our period of rigorous belt tightening in the past few years, so we may be better positioned for tough times than the other chains."

Our entire company is being run better today on all levels," said Jim Near, Wendy's CEO, president, and COO, in the third-quarter earnings statement. During the quarter, couponing and operating costs were reduced, and operating margins were increased from 10.7% to 12.7%.

Near credited the Super Value Menu with reducing the perception that Wendy's is higher priced than the competition. The Super Value Menu consists of 99¢ menu items. In addition, Wendy's has rolled out the successful new grilled chicken sandwich and Dave's Deluxe burger, and switched to an all-vegetable frying fat.

STANDOUT. Two accomplishments over the past year stand out for San Diego-based Jack In The Box, the fifth largest hamburger chain. The Foodmaker Inc. subsidiary opened its milestone 1,000th restaurant and signed its first international licensing deal with a Mexican partner. It finished 1989 with U.S. systemwide sales of $834 million.

In addition, Jack In The Box added to its reputation for frequent product innovations by rolling out the Bacon Bacon Cheeseburger, Sirloin Cheesesteak, Ham & Turkey Melt, and the Old Fashioned Patty Melt. Like several other segment players, it switched to an all-vegetable frying fat.

Also like many of its rivals, Jack In The Box is monitoring the changing consumer perceptions of price and value. "It's true that value today sometimes means lower prices to the customer," says Mo Iqbal, executive vice president of marketing. "We always have some menu items that satisfy that need."

NEW FOCUS. Anaheim, CA-based Carl Karcher Enterprises Inc. (CKE), parent of Carl's Jr., a regional burger chain on the West Coast, is reining in costs, refocusing on its core California markets, stepping up menu development, and placing additional emphasis on franchising. Its 1989 U.S. systemwide totals are 551 units and $550 million in sales.

In recent years, CKE has been selling company-owned units to franchisees, aiming to increase franchised units in its system from 23% to 40%. The company believes it will reduce the risks of large company holdings and expedite expansion. It also plans to sell 57 company units to franchisees in northern California. It has also franchised or sold off its more than 40 Arizona stores, stemming a loss of about $5 million.

On the international front, CKE has signed a licensing agreement with a Malaysian company to establish Carl's Jr. restaurants in nine Pacific Rim countries. It has also signed its first licensee in Mexico. A Japanese licensee opened its first Carl's Jr. in 1989, and anticipates a total of 30 by 1993.

Carl's Jr. has rolled out the Roast Beef Deluxe sandwich, and begun test

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MARKET SEGMENT REPORT

HAMBURGER

Too many new products may have slowed fast food.

marketing freshly baked 14-in. pizzas, priced $7.99 to $10.99. Customers may get two pies for $11.99 to $15.99.

The Atlanta-based Arby's sandwich chain is a major quick-service competitor to the burger players, with its 2,139 units and nearly $1.3 billion sales in 1989. Late in 1990, Arby's acquired the assets, trademark, and franchising rights of Daddy O's Express Drive-Thru Restaurants from G.D. Ritzy's Inc. of Columbus, OH.

DRIVE-THRU. "We feel the potential for double drive-thrus is especially good now," says executive vice president of operations George Nadvit. The company is building units in Atlanta and Miami.

The five existing Daddy O's have a 550-sq.-ft. to 600-sq.-ft. building. Construction and equipment costs are expected to range between $200,000 and $300,000, excluding land costs.

"This is a business that's darn near recession proof," says franchising director Ed Griswold of Nashville-based Beefy's Inc., a 33-unit chain of double drive-thru hamburger stores, nine of which are company owned.

Projections call for Beefy's to add 30 units over the next year. The cash requirement for a prospective franchisee is $30,000, including franchise fee, deposits, inventory, training expenses, and working capital. Financing covers the rest of the deal, including Beefy's 36-ft. modular building, which can be erected in four days and lists for $63,660.

FAST-GROWING. The runaway leader of the double drive-thru category and one of the entire industry's fastest-growing chains is Louisville, KY-based Rally's, which has more than 250 units. It topped off at $159 million in systemwide sales in fiscal 1990. Chairman and CEO Richard F. Sherman projects 375 units by the end of 1991. Rally's held its initial public offering in 1989, and expanded into 31 new markets. Late in 1990, Rally's announced that it had signed Snapps Drive-Thru Inc. to a letter of intent to become a franchisee. Snapps will convert its 43 stores to Rally's over a 42-month period, and has a stock-purchased incentive to open as many as 60 new Rally's.

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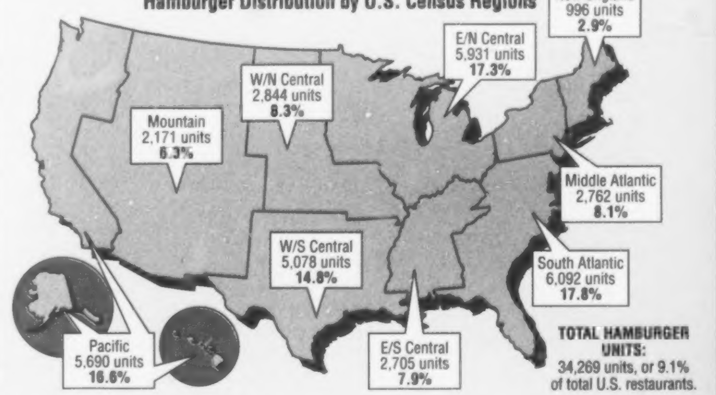
Hamburger Distribution by U.S. Census Regions



Source: Restaurant Consulting Group Inc., RE-COUNT 1990

Map by Peter K. Niceberg

MARKET SEGMENT REPORT

HAMBURGER

Checkers, a 48-unit drive-thru-only chain headquartered in Clearwater, FL, has targeted the Chicago area for major expansion. Two franchised units in the suburbs are off to a fast start.

CASUALTIES. There have been some casualties along the way, such as the Grand Junction double-drive-thru chain that went bankrupt last year. Grand Restaurant Corp. of Tennessee has purchased the rights to the 18-unit chain, and hopes to revive the concept.

Chattanooga, TN-based Central Park USA Inc. claims to have originated the double drive-thru concept in 1982. Central Park still offers only three items, and prices are rock bottom—about 89¢ for burgers, 49¢ for fries and soft drinks.

Central Park now has 70 units, and is opening two to three per month, which officials say will accelerate to four units per month in the fourth quarter.

More than a decade ago, there was a short-lived boom in "gourmet" burger restaurants. Chains that survived, such as Chili's, shed the label and evolved into casual-dining concepts. In contrast, Fuddrucker's remains faithful to the gourmet burger tradition.

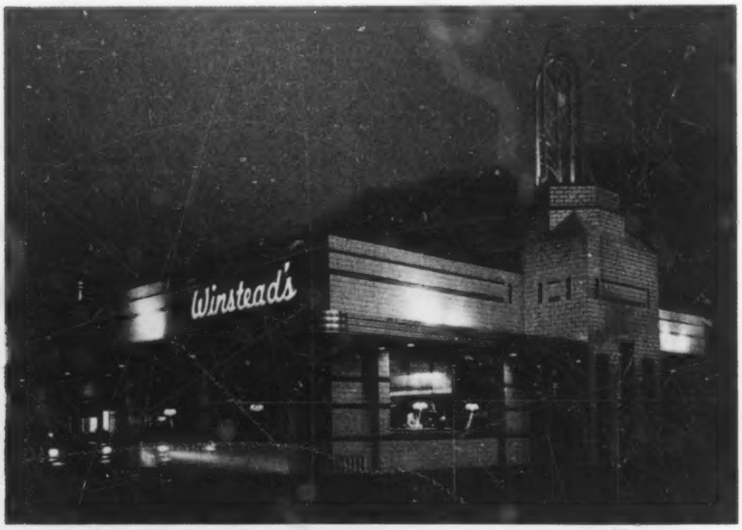
"We remain very much interested in serving the world's greatest hamburger," says Fuddrucker's president William Baumhauer, who heads the 114-unit chain for Wakefield, MA-based daka International Inc. Burgers account for more than 50% of sales. Checks average $6.

REGIONAL CHAINS. Despite the dominance of the segment by giant chains, some strong regional chains exist that hold loyal constituencies with dependable food and distinctive personalities. Some have achieved virtual cult status, exemplified by White Castle, Winstead's, and Steak-N-Shake.

Grandaddy of them all is Columbus, OH-based White Castle System Inc., which celebrates its 70th anniversary in 1991. The 246-unit chain is still controlled by the founding Ingram family. Its U.S. system sales totaled $278 million in 1989.

After all these years, White Castle sells its unique small square hamburger, sold for the inflation-adjusted price of 35¢. New product innovations include a breakfast sandwich. Over the past year, White Castle has broken ground in four new markets: Philadelphia, Cleveland-Akron, Nashville, and Kansas City. Its expansion is conservative, opening about six units per year.

Discounts and price cutting are rampant.



Winstead's is a Kansas City area tradition.

A Kansas City tradition since 1940, Leawood, KS-based Winstead's features table service, plastic-laminated menus, china and silverware rather than disposables, and a nostalgic Art Deco decor. Headlining the menu is the steakburger, offered as a single Winstead ($1.45), double Winstead ($2.45), and triple Winstead ($2.85).

Winstead's celebrated its golden anniversary last year by initiating its first franchising program. The 13-unit chain has lined up franchising deals in Phoenix and Denver.

Similar in many ways, but older and larger, is the Steak-N-Shake chain. Since its founding in 1934, it has grown to 117 units, 13 of which are franchised, and nearly $107 million in annual revenues. Today, it is a wholly owned subsidiary of Indianapolis-based Consoldiated Products Inc.

Steak-N-Shake, too, has a nostalgic decor theme, features steakburgers, and has service of food on china with silverware. Steak-N-Shake projects six to eight franchised openings and four company stores per year.

DELIVERY. In Ann Arbor, MI, the pizza delivery capital of the world, G.W. Fresh Burgers Inc. aspires to perfect the hamburger delivery business.

The company acquired the assets and trademark of the Burger Fresh chain, which went bankrupt in 1988. The new regime has revived one of the surviving stores and opened two new ones. President Mark Drayton projects that stores are capable of producing $6,000 in sales per week. ■

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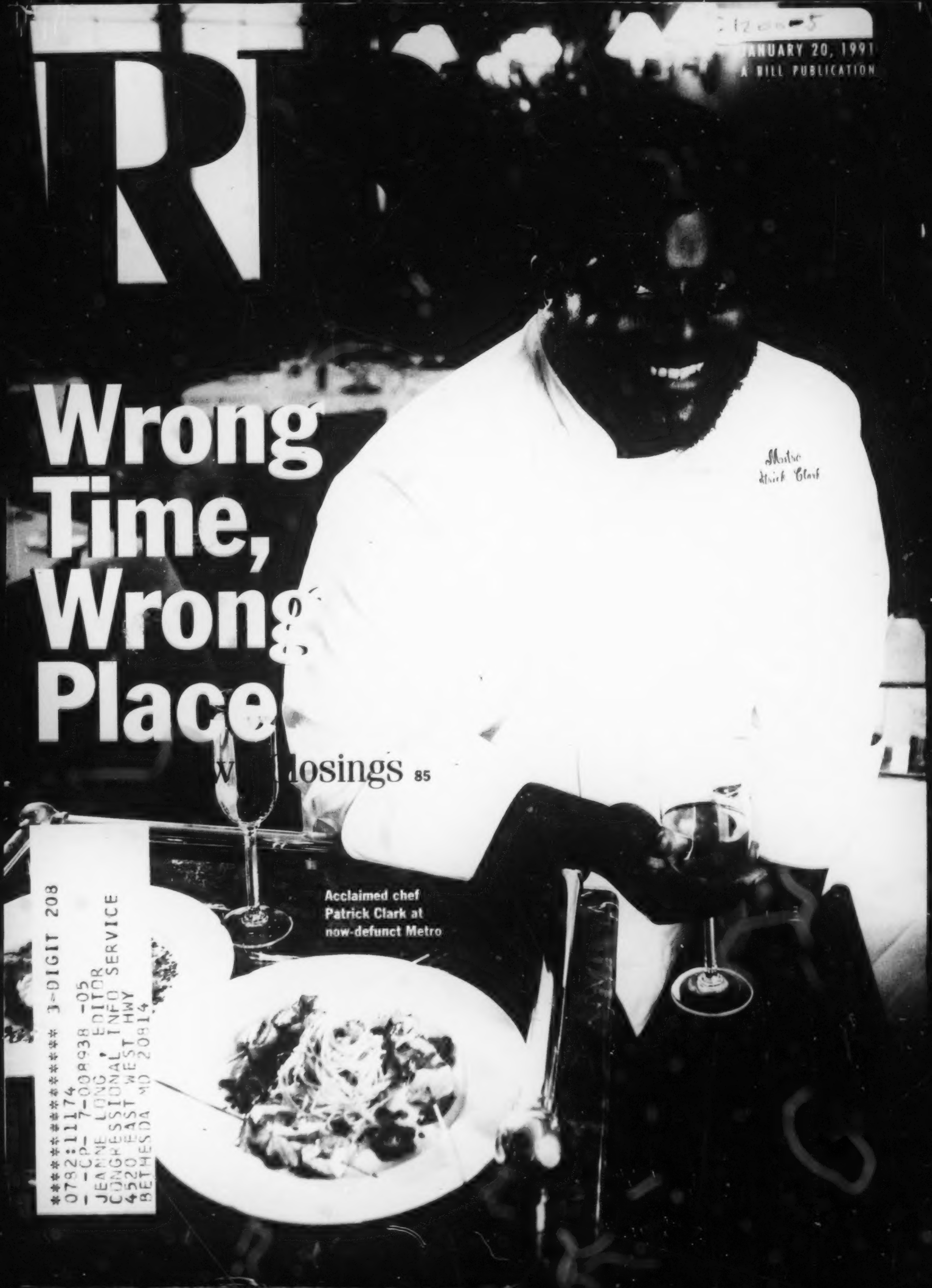

Wrong Time, Wrong Place

w[illegible]losings 85

Acclaimed chef Patrick Clark at now-defunct Metro

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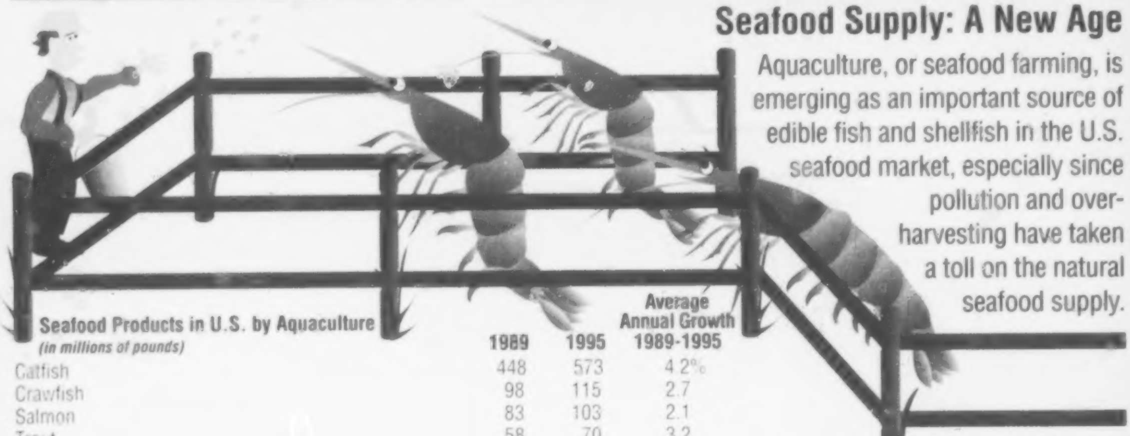
THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

Seafood Supply: A New Age

Aquaculture, or seafood farming, is emerging as an important source of edible fish and shellfish in the U.S. seafood market, especially since pollution and over-harvesting have taken a toll on the natural seafood supply.



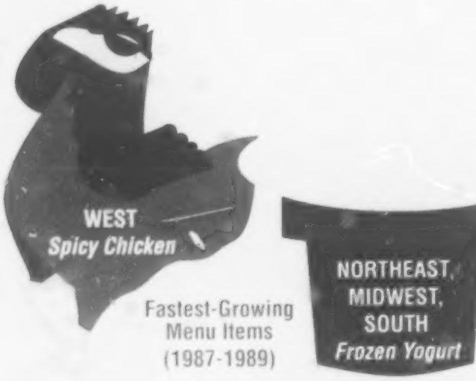
Seafood Products in U.S. by Aquaculture *(in millions of pounds)*

	1989	1995	Average Annual Growth 1989-1995
Catfish	448	573	4.2%
Crawfish	98	115	2.7
Salmon	83	103	2.1
Trout	58	70	3.2
Oysters, clams, mussels	39	58	6.9
Other edible fish/shellfish (abalone, striped bass, tilapia)	65	107	8.7

Source: Business Communications Co. Inc., Norwalk, CT

U.S. Regions: There is a Difference

A study of menu items in four regions of the U.S. showed distinct regional preferences, although one item—frozen yogurt—was fastest-growing in three out of four sections of the country.



Fastest-Growing Menu Items (1987-1989)

Most Popular Menu Items (1989)

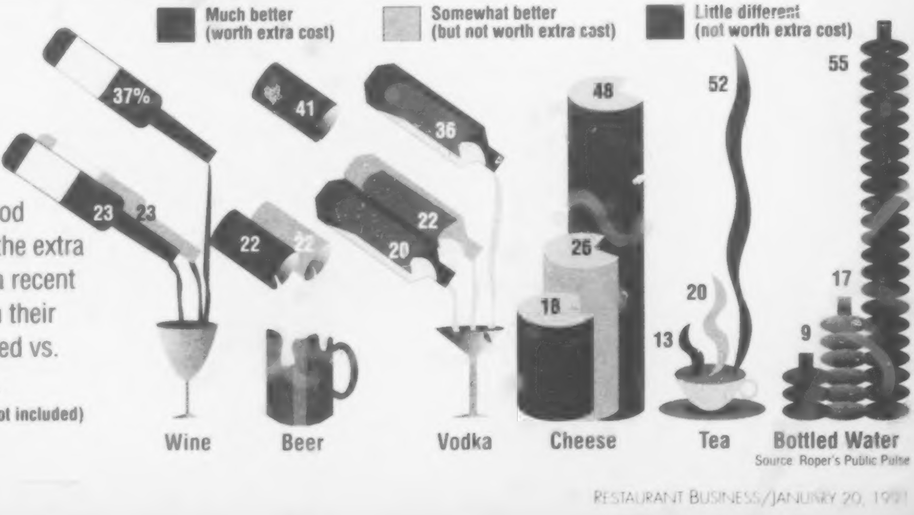
NORTHEAST	Veal
MIDWEST	Fried Fish Sandwiches
SOUTH	Biscuits
WEST	Mexican

Source: NPD/CREST, National Restaurant Association

Good News for Domestic Products

Adult Americans said they don't believe imported food and drink is worth the extra cost, according to a recent survey asking them their opinions on imported vs. domestic products.

("Don't know" responses not included)



Source: Roper's Public Pulse

Charts by Peter K. Niceberg

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Metro
Patrick Clark

COVER STORY: A Tale of Two Closings. Pictured on the cover is Patrick Clark, former chef/owner of the now defunct Metro. Page 85.

COVER STORY

A TALE OF TWO CLOSINGS. An in-depth look at two operators who didn't fare as well as they had hoped: Patrick Clark, former chef/owner of Manhattan's widely acclaimed Metro, and Brion Foulke, founder, chairman, and president of the Ft. Lauderdale-based Taco Viva. Metro, despite rave reviews, still couldn't survive the New York market. After years of decline, Taco Viva has been sold to Miami Subs. **85**

FEATURES

INDEPENDENT STAR CHARLIE MITCHELL. In Tulsa, OK, an ex-soccer player and coach presides over four restaurants that gross over $5 million. **66**

INDEPENDENT STAR DEITRICH'S. For more than six decades, folks in Louisville, KY, lined up practically every night to get inside the Crescent Theater. For the last two years, however, a Hollywood movie hasn't been the feature attraction. Since 1988, the 63-year-old Crescent has been operating as Deitrich's, a 150-seat restaurant [illegible] by the veteran [illegible]ville restaurateurs [illegible] and Joanne Deitrich. Locals have taken a liking to the theater-turned-restaurant: First-year sales totaled $1.2 million, a figure that was matched again in 1990. **73**

CHAIN HOWARD JOHNSON'S. Equipped with a new menu and updated prototype, the chain's franchise system hopes to make a comeback. Its plan is to rebuild the once-mighty organization by attracting both new customers and new franchisees. **78**

MARKET SEGMENT REPORT ITALIAN. At a time when most operators have to rethink expansion, the Italian segment remains healthy. Traditionally dominated by independents, this segment continues to experience chain growth. Perception of Italian food as healthy, coupled with its popularity as the number-one ethnic cuisine have contributed to steady growth. **99**

Cover photography by Mark Ferri.

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FOOD AND BEVERAGE

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MENU IDEAS SOUPS AND STEWS. Soup *is* good food; it satisfies the urge for nostalgic meals, has a healthy image, and, of course, its price point has always been right. **129**

CHEF'S ART JEAN-LOUIS GERIN. The chef/owner of Restaurant Jean-Louis in Greenwich, CT, creates innovative dishes like his lobster sauté. **134**

PRO'S PANTRY DRIED LEGUMES. One of nature's most perfect products, legumes fit the trend toward homier, heartier cooking in restaurants. Specialty varieties are becoming widely available. **137**

PIECE MEAL CHOCOLATE TRUFFLES. Few aspects of a meal leave such a lasting impression with customers. And that, quite simply, explains why truffles are a signature of many of the country's top restaurants. **139**

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Reprints of the **1990 RESTAURANT GROWTH INDEX** and **1990 MAJOR FORCES IN FRANCHISING** are now available for $7 per copy. Direct all inquiries to Editorial Director Peter Berlinski, *Restaurant Business*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

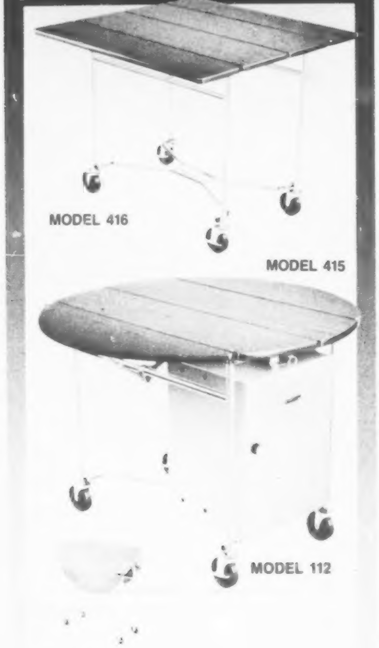
COVER STORY: RESORTS. Longer guest stays, the need for variety, cosmopolitan cuisine, using food and beverage service as a sales tool, the roles of fine dining and spa cuisine—these are just some of the opportunities and peculiar pitfalls of operators in resort settings. This article will take a market segment approach to resort foodservice in hotels, restaurants, ski resorts, and cruise ships.

MARKET SEGMENT REPORT: RETAIL/DELI. Supermarkets and delis are giving restaurant owners a run for their money by offering a variety of prepared foods to go, sit-down convenience, and even delivered pizza.

SPECIAL FEATURE: MULTIUNIT OPERATORS. What is it that has made so many restaurateurs risk everything they have worked for to open a second restaurant or more? The answer isn't simple, but many operators find it a necessary and logical next business step. Building assets to ensure profitability while maintaining a solid cash flow is just one of the reasons.

TEST KITCHEN:
Soups, p. 129.

ROOM SERVICE



Models 415 & 416 feature a pull chain release for ease of folding to storage width.

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MARKET SEGMENT REPORT

ITALIAN

Low food costs help maintain good price/value.

By Kevin Farrell

The Italian market segment, long resilient in the face of the troublesome currents buffeting the restaurant industry, is confident that it can ride out today's downturn. According to Italian restaurant operators—from national chains to local independents—the outlook for Italian eateries is good. Especially at the lower to medium price points, Italian restaurant operators anticipate that 1991 will be at least as good as the last two years, and possibly even better.

"We're holding our own, and we expect that we'll at least stay even with last year," reports Bob Gilka, vice president of marketing and advertising for 16-unit Spaghetti Warehouse of Garland, TX.

Gilka's observations are echoed by many in the Italian segment. "The Italian market has two very good things going for it," says Lee Cohn, chairman of 11-unit, Phoenix-based Big 4 Restaurants Inc., which just opened Aldo Baldo, a new Italian restaurant in Scottsdale, AZ. "You don't have to sell customers on Italian food because they already love it, and it is very cost effective. There are few other restaurant concepts where you can keep food costs low and still maintain value for the consumer. That's very hard to do with steak or seafood. It gives ethnic cuisines, especially Italian, a definite edge."

Adds Robert Barr, director of marketing for Portland, OR-based OSF International, operator of 38-unit Old Spaghetti Factory, "We think the future is very strong because we've always done well in economic downturns."

DRAMATIC CHANGE. Although it provides what is clearly America's favorite ethnic cuisine, the Italian market segment has changed dramatically in the last five years. The arrival of Italian dinner-house chains—most notably General Mills' Olive Garden—has given the segment a new twist. Still dominated by independents throughout the United States, the Italian segment is seen as a hot growth area for all the chains that operate in it. Among them: Spaghetti Warehouse, Old Spaghetti Factory, Sbarro, Grisanti's, The Pasta House, and Fazoli. Jerrico, which operated Fazoli and Florenz, has sold Fazoli to a group of Japanese investors and is busy shuttering its two remaining Florenz. A host of notable regional chains, such

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Pictured at right is a unit of The Pasta House Company, a mid-scale chain of Italian restaurants.

LOGO BY STEPHANIE CASSAS

MARKET SEGMENT REPORT

ITALIAN

as Chicago's Lettuce Entertain You Enterprises, Seattle's Schwartz Brothers, San Francisco's Spectrum Restaurants, and Los Angeles' University Restaurant Group operate Italian restaurants, which are among the highest-grossing—and most profitable—in their stables of concepts.

What accounts for the stability of the Italian market? "We think it's the affordability of the food," says Robert Koebele, chief financial officer for Sbarro of Commack, NY. Sbarro, with 440 units, operates primarily in shopping malls with a steam-table concept offering pizza from $1.50 a slice to hot entrees in the $5 price range.

"Clearly, in addition to the popularity of the cuisine, price is the principal factor," agrees Anne Powell, director of communications for 224-unit Olive Garden, based in Orlando, FL. "We see this as well with Red Lobster, our other midscale concept. Americans are addicted to eating out—people can't give it up. They'll trade down instead of stopping eating out, and restaurants like Olive Garden are well-positioned to take advantage of that."

In addition to price, Italian operators point to the food's image as healthy. "We're coming up with new menu items all the time that appeal to what people want today," claims J. Kim Tucci, co-owner of The Pasta House Company Inc., a 25-unit chain based in St. Louis. "We're offering items without meat- or cream-based sauces, and people want those kinds of dishes. They're interested in having less fat in their diets, and pasta-based dishes provide that."

Adds Powell of Olive Garden: "We see continuing—and growing—interest in health and nutrition. It's not just a fad, it's how most people feel now. Our menu positions us to take advantage of these trends."

The chains operating in the Italian market segment all claim that their 1991 growth plans will at least match those for 1990. Olive Garden will add 50 restaurants, The Pasta House will build four new units, Spaghetti Warehouse will add four, Old Spaghetti Factory plans to add two to three, and newcomer Fazoli, an Italian fast-food concept, plans to have up to 150 units in operation within five years.

CAUTION. But, while generally optimistic, Italian operators are sounding a note of caution. "Our average unit volumes are up from last year," says Powell, "But we wonder how much more they would have been up without gas price increases." Indeed, many Italian dinnerhouses are designed to be destination restaurants, and the increase in gasoline prices could take its toll. "There are some indications that people are spending less when they eat out, or that they are eating out in restaurants less. We're still doing well, but we don't think it's as good as it could be," says Spaghetti Warehouse's Gilka. "It's definitely getting tougher out there," he adds.

To respond to a tougher marketplace, and to build share in an environment that is increasingly becoming more competitive, Italian segment operators are focusing on

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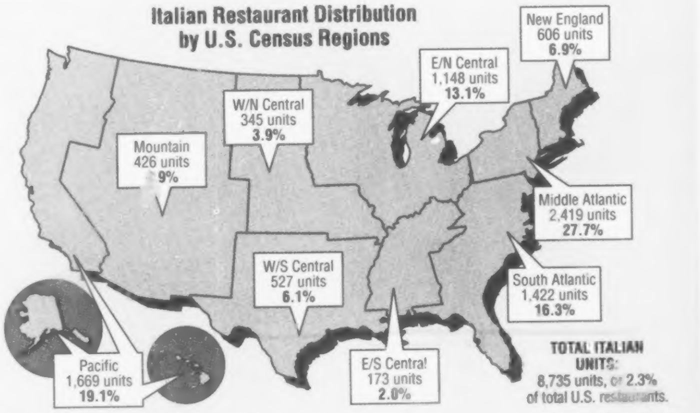
Italian food is generally perceived as healthy and nutritious.

True to its name, The Old Spaghetti Factory offers many spaghetti dishes.

MARKET SEGMENT REPORT

ITALIAN



Source: Restaurant Consulting Group Inc., RE-COUNT 1990

Map by Peter K. Niceberg

Most segment chains are taking a cautious approach to menu changes.

menu changes, marketing, promotions, and pricing. "We're negotiating more with our purveyors to make sure we don't have to raise prices at our restaurants," says John Schwartz, cofounder of Schwartz Brothers Restaurants in Bellevue, WA. Schwartz Brothers operates three Cucina!Cucina! Italian restaurants in the Seattle area. "The Italian properties are doing very well, and we may open more as a result," says Schwartz. In addition to tightening purchasing procedures, Schwartz decided to begin charging for bread at Cucina!Cucina! "It just made sense that the people who want it should pay for it," he says.

FRESH MENU. Other chains are focusing on menu additions to attract new customers and keep old ones. "We try to keep the menu fresh," says Powell of Olive Garden, which has added cannelloni, linguine with clam sauce, and crab Alfredo in the last year or so. "We'll put things on as daily specials to see how they do," says Powell. "If they demonstrate enough popularity, they'll go on the permanent menu. About 30% of what we offer now was not on our original menu," she adds.

"We're always looking for new items that our customers will enjoy," says Tucci of The Pasta House Company. "Recently, we've added cheese sticks and Italian potato skins as appetizers. We've also made two new pastas available: seafood pasta ($7.95) and Sicilian pasta ($5.95), which is made with sun-dried tomatoes, oil, butter, and garlic. Both have done well."

Barr of OSF reports that Old Spaghetti Factory has added a baked chicken with a Mediterranean-style sauce to its menu, and says that the chain is testing potential new menu items. Among them: a seafood fettuccine and a cannelloni. "Also, in the last year, we have retooled two of our most popular sauces," adds Barr. "Our clam sauce is lighter, and we're making it in smaller batches so that it will be fresher. And we've made our marinara sauce chunkier in response to consumers. In a sense, we've taken both sauces 'upscale'."

"We take a very cautious approach to changing the menu," says Gilka of Spaghetti Warehouse. "We have one or two daily specials on a store's blackboard in selected markets, an idea that we're broadening slowly. We may try some new items systemwide in the next year to see how they do, but we have no plans now for new additions to the whole chain's menu."

MORE PROMOTION. Spaghetti Warehouse has been focusing more on building traffic. "Our strategy has changed," adds Gilka. "We're doing more advertising and promotion than last year because of the recession, but also because it is more competitive." In January and February, Spaghetti Warehouse plans to resurrect its "Lasagna Lover's" promotion. Fifteen-layer lasagna, the chain's signature dish as well as its most popular item, will be offered for $6.95, compared to the usual $7.50. Bread will be available for only $1 more. "We do heavy radio and print advertising with the lasagna promotion," says Gilka. "It helps us a lot during a time when business could really fall off."

Olive Garden also employs a strategy of "menu events" to drive business. In February, it will offer a "Carnival of Venice" promotion featuring entrees, appetizers, and desserts from Venice. "It is a limited promotion designed to keep things fresh," says Powell. "It excites both our customers and our employees."

The Pasta House Company markets primarily with families in mind. "We like the families," says Tucci. If we can get the families in, that's a home run for us." And, recognizing that children control the decisions on dining out in many families, The Pasta House Company recently purchased one million crayons complete with its logo for distribution in the chain's restaurants, which will be equipped with butcher's paper for each table. The chain also offers rewards to kids for completed book reports in its "Reading, Writing,

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and Ravioli" program. And, throughout February, all pasta will be offered at half price. "That doubles our volume," says Tucci.

In addition, the company sponsors an art contest for area students each year designed to dovetail with The Pasta House Company's slogan, "For people with a taste for a great Italian work of art." Students copy famous works of art but include a plate of spaghetti in the work. "We get lots of Mona Lisas eating spaghetti," reports Tucci, "But it's lots of fun and we get plenty of attention because of it." Winning students receive $1,000, as do their schools. Customers also get a free plate of spaghetti on their birthdays if they have signed up for the Mr. Meatball Birthday Club. "We've got to keep doing promotions like this to build business," says Tucci.

DISCOUNT DISCOUNTING. But the majority of Italian chains stay away from offering coupons or other forms of discounting. Having seen the damage that deep, habitual discounting and couponing have done to pizza restaurants, Italian operators are leery of getting involved. "That's a trap we've done our best to avoid," says Gilka of Spaghetti Warehouse. Adds Koebele of Sbarro: "We keep it very limited, and only do it occasionally on a store-by-store basis. It isn't part of our marketing approach." Barr of OSF International sums up many operators' feelings when he says: "We feel that our value is so attractive that there is no need to offer discounting or coupons to get people to come in."

Most operators are leery of couponing.

Indeed, price/value is the engine driving the Italian segment. "We think

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that if you're under $20 at night, you're offering a moderate price," says Cohn of Big 4. "Italian food is a great way to keep prices down and keep costs in line. We're not as price-sensitive as restaurants that rely on meat or seafood"

While Cohn may consider a $20 meal mid-priced, others are going for the low end of the market. The Seed Restaurant Group bought the seven-unit Fazoli chain from Jerrico earlier this year. Backed by Japan's $1.8 billion Duskin Corp., Fazoli CEO Kuni Toyoda reports that the chain will try to build a "McDonald's-like chain for Italian food." Toyoda says that Rally's quick recent growth is actually the new chain's model. "We think that it is only recruitment of good people that may slow our expansion," says Toyoda.

Currently, Fazoli's is offering territorial licensing agreements to franchisees. Average unit volume is about $1 million, and Fazoli offers lasagna (its best seller at $3.59), fettuccine Alfredo for $2.39, spaghetti with meatballs for $1.99, ravioli for $2.49, and combo platters for $2.99, among other items. It uses a scramble system with three cash registers. About 30% of the chain's sales come from drive-thru. "There is a huge market at a price point below the Olive Gardens," claims Toyoda. "And we have an investor with deep pockets to help us grow." Fazoli's intends to open 120 to 150 units over the next five years.

Although Fazoli may be seeing a third of its sales come from take-out, this is an area that many chain Italian dinnerhouses have stayed away from. "As a market segment, we really need to do a better job at take-out," says Tucci, whose company has taken steps to make changes. The Pasta House Company commissioned new packaging in 1990 that is microwaveable and biodegradable. Says Tucci,"The new packaging has increased take-out business by about 10%."

The segment is divided over the merit of take-out.

But other Italian dinnerhouses aren't so excited about the possibilities for take-out. "We have no plans to make it a focus of our business," says Barr of OSF. "We focus primarily on the experience of dining out in an atmosphere with great service and nice decor." Adds Gilka of Spaghetti Warehouse: "We're a destination restaurant. Take-out only accounts for about 1% of sales. We don't promote it."

Sweet Caporal
1000

Pictured is a typical Spaghetti Warehouse restaurant.

REGIONAL. Beyond the Italian chains, there are a number of smaller, regional organizations offering Italian food in their various markets. Lettuce Entertain You Enterprises of Chicago added Tucci Milan, a fashionable, downtown Chicago eatery, to its already impressive list of Italian concepts. Among them: Tucci Bennuch, Avanzare, and Scoozi! The Dallas-based Crillon Management Group continues to build Sfuzzi units, already a strong presence in Houston, Dallas, New York City, and Boston. Another major regional player in the Italian restaurant segment is Spectrum Foods of San Francisco. The chain offers a wide variety of Italian concepts to California diners. Among them: three-unit Prego, Spiedini, Tutto Bene, Sputino, Chianti, and Ciao! The restaurants are intentionally kept unique and not marketed as a chain.

The University Restaurant Group, operator of 555 East and the Pine Avenue Grill in Long Beach, CA, recently opened one of Los Angeles' hottest restaurants, I Cugini, in Santa Monica. Although it is part of a chain (another University property, Ocean Ave. Seafood, is two blocks away), it is marketed as an independent.

Currently, I Cugini is one of the hardest restaurants to get into in L.A. "We've had tremendous success with it," says Sam King of University Restaurant Group. "We think Italian food is incredibly popular for a number of reasons, and we expect it to stay popular." Judging from the number of Italian eateries, new additions, and the growing presence of chains in this market segment, there are obviously plenty of others who agree. RB

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RESORT FOODSERVICE. The resort segment is a diverse mix of leisure establishments that transcends time zones and trading styles. For many operators, resorts present more attractive growth opportunities than overbuilt domestic business travel markets. Yet the resort segment does not easily yield its rewards. It carries a peculiar set of problems and challenges. **131**

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INDEPENDENT STAR VAN-LANG. Like a mango in a pear tree, the Van-Lang restaurant catches residents of suburban Wheaton, IL, a little off guard. The 50-seat operation, sandwiched between a bridal boutique and a gift shop, offers authentic Vietnamese cuisine. **118**

INDEPENDENT STAR JACK'S FIREHOUSE. With the opening of Jack's Firehouse, Philadelphia has joined the down-home conflagration. Chef/owner Jack McDavid has combined the soul-satisfying cooking of his native South with a decidedly contemporary interest in high-quality specialty ingredients. So far, the formula is burning down the house. **124**

MARKET SEGMENT REPORT RETAIL & DELI. Operators who think they compete only with their fellow restaurateurs down the street had better wake up and smell the coffee. Not the brew emanating from their own kitchens, but the rich aroma wafting in from delicatessens in retail food stores. The movement of supermarkets and c-stores into foodservice is growing stronger. **145**

Cover photo provided by Stouffer Hotels and Resorts.

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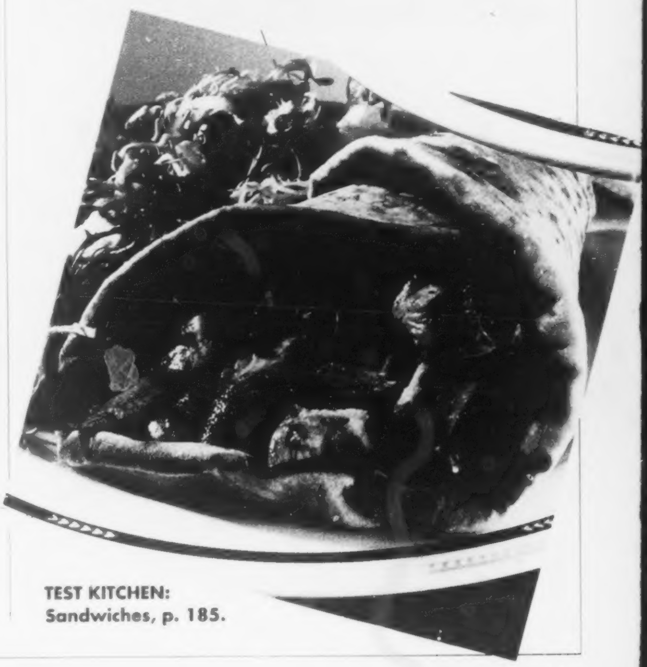
COVER STORY: FOODSERVICE CAREERS. Long hours, lack of advancement, bottom-line pressures, disruptions of family life—these are just some of the reasons so many foodservice workers question a long-term stint in our industry. In this article, R takes a comprehensive look at the causes and possible solutions to career burnout. Extensive research will be highlighted, including the results of a study of 200 foodservice managers and interviews with executives who have innovative solutions to dealing with manager stress and interesting turnover reduction programs.

MARKET SEGMENT REPORT: BREAKFAST. Despite shrinking traffic counts and competition from supermarkets and c-stores, there are still opportunities to be found in this segment. Quick-service operators have found that breakfast business is closely tied to promotions as well as new product introductions. Expect midscale and upscale operators to follow suit.

DRAFTS, CARAFES: THE PREMIUM WELL APPROACH. Profit-minded operators know that a premium well spells a higher return on their promotional dollar.



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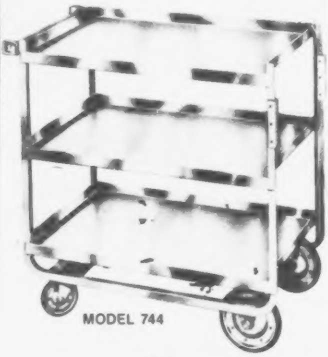

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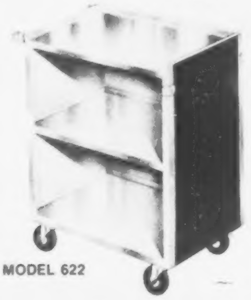

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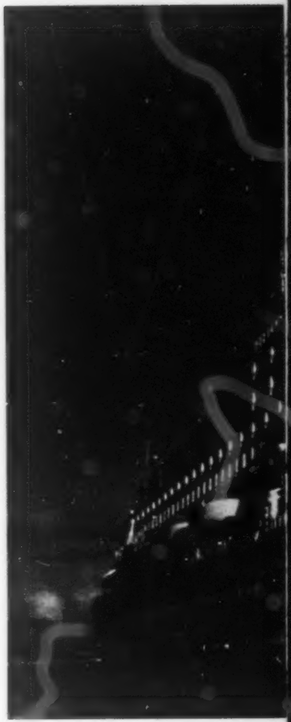
RB
COVER STORY

RESORTS REPORT: Guests stay longer—and spend more money—than in mainstream hotels, but demand a greater variety of amenities; vacation travel is now an accepted way of life, but value has never been more important; operators live in breathtaking surroundings, but suffer the stress of dramatic swings in business. These are just some of the opportunities and peculiar pitfalls of trying to make a living in the resort business. *RB* takes a look at foodservice in hotels, restaurants, ski resorts, and cruise ships, and how it differs from more typical high-volume operations. Cruise lines have shown some of the hospitality industry's best growth in the last few years, but resort operators have also expanded their customer base by offering excellent service and a mix of authentic local fare and cutting-edge cuisine, such as that prepared by the Stouffer Esmeralda's Nicola Torres (right). These foodservice pros are enticing guests with . . .

Nicola Torres
Chef

Food, Folks, and *Fantasy*

By James Scarpa



RESORTS REPRESENT AN ATTRACTIVE GROWTH OPPORTUNITY, YET THIS SEGMENT CARRIES A PECULIAR BAGGAGE OF PROBLEMS AND CHALLENGES.

The greater resort segment is a diverse mix of leisure establishments that transcends time zones and trading styles. It ranges from tropical beachfront hotels to desert retreats, alpine ski lodges, cruise ships, bed and breakfast inns, and family-owned resort town restaurants. It covers the spectrum from luxury accommodations to budget family resorts, and even cruise packages for Middle America.

All players are vying for a common prize—the fun-seeking American vacationer, who has developed a yen for travel in recent decades. For many operators, resorts present more attractive growth opportunities than overbuilt domestic business travel markets. Yet the resort segment does not easily yield up its rewards. It carries a peculiar baggage of problems and challenges.

The main joker in the deck for all concerned may be the Persian Gulf powderkeg. At press time, war fears had already led to an upward spiral of jet fuel prices and airfares, crimping tourism and pushing several airlines (including latest casualty Pan Am) toward insolvency. Regardless of the short-term resolution of the crisis, long-term implications—economic uncertainty and the potential for unpredictable terrorist attacks—may oblige Americans to take vacations that are briefer, less expensive, and closer to home. Despite these drawbacks, resort and cruise operators are optimistic that more people than ever will "get away from it all" in the 1990s.

"The trends are very good for resorts internationally," says John Russell, president of Minneapolis-based Colony Hotels & Resorts. "We see lots of growth in the Caribbean, Mexico, and Pacific Rim, and gradual growth in North America, with parts of Florida and California still promising. People are taking more vacations, and they are trying new destinations."

"The consumer has come to look on a vacation as a necessity, not as a frill," says Paul Duynhouwer, president of St. Louis-based Clipper Cruise Line. "In tough economic times, they will always choose the best value for the money."

CHOOSING CRUISING. The cruise industry has exhibited some of the hospitality industry's best growth in recent years, albeit from a small base—some 95% of North Americans have yet to take a cruise. Passengers carried by cruise ships increased from more than 2.6 million in 1986 to 3.3 million in 1989, reports the Cruise Lines International Association in New York. The estimated count for 1990 is 3.7 million. Capacity has grown from 60,000 berths, or beds, in 1986 to 85,000 in 1990. To introduce a wider public to cruising, the cruise lines are promoting budget-priced two-, three-, and four-day packages.

The cruise industry benefits from its all-inclusive pricing, which covers airline tickets, lodging, entertainment, and meals. Customers of modest means are reassured knowing their exact tab, while the more affluent appreciate not having to handle cash and tipping.

Judging by recent investment activity, hoteliers are bullish on the resort business. Toronto-based Four Seasons Hotels and Resorts and the Minneapolis-based Carlson Hospitality Group's sister companies Radisson Hotels and Colony Hotels & Resorts are among those expanding in the Caribbean, Mexico, California, the Pacific Rim, and especially Hawaii. In 1992, Radisson will take a unique leap into the super-luxury cruise niche with the launch of the $125 million SSC Radisson Diamond.

Underwriting the investment is a new emphasis on food and beverage, prominent among the upgraded services and amenities that these operators are using as a marketing tool and profit center. For decades, lavish dining experiences have been among the most treasured souvenirs vacationers bring home from a resort. Many are the cruise passengers who ship out year after year, lured by extravagant midnight buffets and white-glove dining room service. Likewise, reveries of exotic Polynesian beach luaus help create repeat clientele.

CULINARY WRINKLES. Such hallmarks remain popular aspects of resort foodservice, but fresh, "can-you-top-this" culinary wrinkles are now required to attract a public more

ROYAL VIKING SUN

Memories of sumptuous food—such as Royal Viking Line's dessert buffet—are high on the list of souvenirs cruise passengers bring home.

accustomed than ever before to traveling and dining out. Resorts increasingly offer a mix of restaurants representing authentic local cuisines as well as cutting-edge eclectic and ethnic cooking. Some are menuing "spa" cuisine and natural foods for the health conscious. Cruise ships are setting up à la carte restaurants with swank French haute cuisine menus. It's not unusual for resort and cruise operators to market special food and beverage events as entertainment, including wine tastings, cooking demonstrations, and lectures by prominent chefs or winemakers.

The number and styles of restaurant outlets are critical factors in providing dining variety for the guest. Leading resorts today usually include three basic formats, a fine-dining restaurant, a three-meal or family restaurant, and a specialty dining concept—often ethnic—not to mention quick-service snack bars, cocktail lounges, and nightclubs.

The recently renovated and expanded Stouffer Orlando Resort and Convention Center serves the need for variety with a diverse selection of outlets. The Atlantis restaurant specializes in French cuisine and seafood, while Haifeng offers regional Chinese cooking with tableside service flair. Trade Winds is a casual, broad-menu family restaurant. There is also Winston's, a lounge with traditional British club atmosphere and a large selection of single malt Scotch whiskies.

The Four Seasons Resort at Wailea, on the Hawaiian island of Maui, adds variety with its unique Pacific Grill restaurant—in effect three dining experiences in one. By day, the Pacific Grill is a family restaurant menuing a broad selection of salads, sandwiches, and light entrees, featuring service on an *al fresco* terrace. By night, however, lighting dims, table linens and chopsticks appear on the tables, and an exhibition stir-fry kitchen sizzles into action. Voilà—a pan-Asian restaurant focusing on Chinese, Japanese, Thai, and Vietnamese cookery.

"We build all of our restaurants on equal quality levels," says Alfons Konrad, vice president of food and beverage for Toronto-based Four Seasons Hotels and Resorts. "We want the guest to be just as pleased to eat in the three-meal restaurant as in the fine-dining restaurant."

LOCAL FLAIR. Serving up local flair is another resort foodservice imperative. The Four Seasons Resort in Nevis, British West Indies, slated to open early this year, is situated in a coconut-producing palm grove. Not surprisingly, coconut dishes are being developed as signatures, with a Thai chef-consultant helping to expand the native repertoire.

Resorts also need to strike a balance between familiar food and adventurous food. "People on holiday are interested in regional specialties, such as tropi-

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cal cooking and Hawaiian seafood, but they don't eat it every meal, so you need restaurants that cover all the bases," says Konrad.

Noel Trainor, director of food and beverage for Hilton Hotels Corp. in Hawaii, puts it a different way. "The guest wants intriguing food presented in ways that are not too unusual, not too mysterious," he says. Hilton's Cuisine of the Hawaiian Islands and Flavors of the Pacific menus have been a hit in the four Hilton properties in the islands over the past few years, and have been extended to banquets as well.

Radisson's Ciboney trains attendants—who prepare sous vide meals, mix cocktails, and send out the laundry—to regard the individual villa as their home.

The menus spotlight indigenous ingredients in preparations familiar to customers, such as baked Maui onion soup, a salad of stir-fried beef over mixed greens, and a trio of Hawaiian beef, chicken, and seafood satays.

"As a resort becomes more upscale in price and clientele, the demands for variety and innovative, adventurous food increases," says Walter Staib, food and beverage consultant for Ciboney Ocho Rios. This recently opened Radisson villa, spa, and beach resort in Ocho Rios, Jamaica, charges guests a single rate for all services and recreation, including food and drinks. Rates began at $2,450 for seven nights in a one-bedroom villa, double occupancy.

The Pacific Grill at the Four Seasons Resort at Wailea has menus and moods to suit all three dayparts.

Ciboney's guests may dine at will at any of its four restaurants, or opt for a unique personalized dining experience—a gourmet meal prepared in their villa by their personal villa attendant. Entrees are actually prepared in advance by the resort's executive chef and vacuum sealed in sous vide pouches, to be conveniently heated and served by the attendant.

"Sous vide makes it possible for villa attendants to easily serve this sort of food," says Staib. "There's no way we could train them to be professional chefs."

CAMOUFLAGED RESTAURANT. The Ciboney Grill & Marketplace is a casual dining and shopping experience that Staib calls "a camouflaged three-meal restaurant" with the trappings of a Jamaican village. The menu includes native fare such as Jamaican savory tarts of meat or shrimp and pan-fried kingfish with black bean and corn relish, as well as hamburgers, omelets, pastas, and salads.

Ciboney's other restaurants include the Manor, an upscale yet casual restaurant in a setting like a colonial plantation home, specializing in classic Jamaican dishes such as jerk pork, curried lamb, plantain and meat pie casserole, and roast breadfruit. Casa Nina, a beachfront trattoria, will open in spring 1991 specializing in local seafood prepared Italian style.

Another stamp of well-run resort foodservice is leisurely service and hospitality, says Giulio Comacchio, vice president of food and beverage of Solon, OH-based Stouffer Hotels and Resorts. "The guest shouldn't be rushed as if he's in a convention hotel coffee shop," he says. "The breakfast mood is very important. Many people like to start their day slowly with room service on their lanai, enjoying coffee and a newspaper."

CAPTIVE CLIENTELE. No resort operator's foodservice receives closer scrutiny than that given by a cruise ship's captive clientele. Cruises range in length from a weekend to 100-day world cruises. On longer voyages, shipboard food and beverage staffs are under pressure to provide quality, flair, and maintain menu interest for the passenger. Coupled with the logistical challenges of supplying and operating a floating hotel, cruise foodservice is no small feat.

These challenges notwithstanding, "it is very fair to compare cruise dining with the best restaurants on land," according to Christian Sauleau, vice president of hotel operations for Royal Viking Line. Royal Viking Line and its sister company Norwegian Cruise Line, both based in Coral Gables, FL, are leaders in à la carte cruise ship restaurants. NCL's eateries are the M/S Seaward's Palm Tree restaurant and the S/S Norway's Le Rendezvous. Each is a 130-seat luxury, reservation-only, pay-as-you-go restaurant that offers passengers an alternative to the high-volume dining rooms that feed hundreds of guests three meals per day.

The Royal Grill restaurant on Royal Viking Line's ship Royal Viking Sun has a $45 per person fixed-price menu created by Laurent Malnuit, chef de cuisine of the noted Paul Bocuse restaurant in France. Typical selections include sole fillet Fernand Pointe, chicken cooked in a bladder, and pigeon in pastry with goose liver. Not all is champagne and caviar in cruise dining, however; the Big Apple Grill is an integral part of the M/S Seaward's foodservice lineup.

BED AND BREAKFAST. Growing in popularity are country inns and bed and breakfasts, which offer experiences quite different from those of major hospitality corporations. "Guests choose us because they don't want the chain hotels and motels," says Stan Arnold, who, with his wife Linda, owns and operates the Grandview Lodge, a nine-room country inn in Waynesville, NC.

"They want personal hospitality, peace and quiet, and no telephones," continues Arnold. "They enjoy being able to strike up a conversation with new acquaintances at meals." Adds Linda, "There's a market for nice vacations and weekend getaways within an hour or two of home."

Like a number of inn and B&B operators, Stan and Linda Arnold abandoned professional careers to become their own bosses. Some become quickly disillusioned by the heavy demands of the hospitality business. But the Arnolds say they are pleased with their new career after four years. "The hardest part is being tied down 12 months a year, living upstairs from the inn," says Linda. She serves family-style breakfasts and dinners to as many as 50 guests each day, featuring such homespun fare as barbecued ribs, Mom's corn pudding, and homemade ice cream.

SPA CUISINE. Healthful spa cuisine—food prepared with low levels of fat, cholesterol, sodium, and calories—is finding its way into the world of resorts and cruise ships, but with mixed results. While most guests still leave their diet consciousness at home when they go on vacation, there is a growing demand for nutritionally sensitive options.

Ciboney Ocho Rios is giving healthful cooking star billing in its Orchids restaurant, which features nutritional menus developed in collaboration with the Culinary Institute of America. "We anticipate 10% of our guests will come for the European health spa amenities, and expect upscale spa food to go with it," says John Russell, president and CEO of Colony Hotels & Resorts, which is managing the property.

Four Seasons Hotels and Resorts calls its healthful food program "Alternative Cuisine." "We find it very important to offer this option," says Alfons Konrad. "For our guests, health is a constant concern."

However, some operators remain unsold on healthful cuisine. Hilton Hotels' Fitness First program has a "very small market" in Hawaii," says Noel Trainor. And despite small inroads in healthful cuisine, the cruise industry's reputation for feeding passengers nine sumptuous meals and buffets per day remains intact.

"Frankly, we sell spa cuisine to only three or four people out of 500," says Christian Sauleau of Royal Viking Line. "Most people would rather forget about dieting for two weeks."

One of the best developed programs is Roman Spa Cuisine on Norwegian Cruise Line's S/S Norway. It consists of 1,000-calorie daily menus with nutritional breakdowns, including dishes such as vegetarian moussaka, fresh vegetable pizza, steamed grouper en papillote, and

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MENU SAMPLER

CAFE MARIPOSA
Deer Valley, Park City, UT

LODGE-SMOKED SALMON
With arugula, watercress, and cucumber.

ROAST BREAST OF SQUAB
With wild mushroom risotto cake.

WINDOWS ON THE WATER
Sundial Beach and Tennis Resort, Sanibel Island, FL

CARIBBEAN-STYLE PORK TENDERLOIN $14.95

SNAPPER CASA YBEL $19.95
Topped with blue crab and béarnaise sauce.

RAINBOW LANAI
Hilton Hawaiian Village Honolulu, HI

KONA YEARLING BEEFSTEAK $13.95
Served with Big Island fiddleheads.

GRILLED MOLOKAI VENISON SAUSAGE $9.95
With Maui squash and guava chutney.

PACIFIC GRILL
Four Seasons Wailea Resort, Maui, HI

VIETNAMESE SPRING ROLLS $7.25
With pickled cucumber and spicy peanut sauce.

ROAST SUCKLING PIG $22
With Chinese steamed buns and three sauces.

LE RENDEZVOUS
SS Norway, Norwegian Cruise Line

LA SOLE DE DOUVRES BERCY $19
Dover sole with parsley-lemon butter sauce.

LA POITRINE DE FAISIN EN CROUTE $18.50
Breast of pheasant in crisp potato crust.

BAYWINDS
Stouffer Grand Beach Resort, St. Thomas, U.S.V.I.

CARIBBEAN CONCH CEVICHE $6
With tomato, onion, citrus, and spices.

SHARK STEAK $14
With wild mushrooms and ginger-coconut sauce.

This Haleiwa luau salad from the Hilton Hawaiian Village balances exotic and familiar ingredients.

chocolate mousse with orange confit. It complements the ship's European style health spa experience that includes bath therapy, saunas, and massage.

Food and beverage is increasingly used by resorts as a marketing tool that enhances image and encourages repeat patronage. The Deer Valley resort in Park City, UT, has received numerous press accolades for its service and amenities, including its seven restaurants and lounges. "It's a ski resort run like a fine hotel," says food and beverage director Julie Wilson. Executive chef Clark Norris was recently honored as a rising star of American cuisine by the James Beard memorial foundation. All credit founding father James Nassikas of Stanford Court Hotel fame with Deer Valley's emphasis on hospitality.

Deer Valley has no guest rooms, and its reputation is therefore crucial to attracting customers from the surrounding area. Cafe Mariposa offers $40 per person fixed-price meals with the likes of roast venison loin with hard cider sauce and lodge-smoked salmon. The Huggery Restaurant has a natural breakfast and salad buffet, featuring fresh, natural foods.

The Stouffer Esmeralda Resort in Indian Wells, CA, gets a marketing boost from special dinners with world-class chefs Paul Bocuse and Wolfgang Puck as the headliners. "Even at $150 a head, these dinners don't come close to making money for us," says food and beverage director Steve Pagano. "But the notoriety we gain may be the difference in whether guests patronize us or the competition."

Cruise ships have been using food and beverage special events as attractions and entertainment for some time. Royal Caribbean Cruises brings California winemakers on board for lectures and tastings. "These are enjoyed greatly by passengers whether on high-volume or upscale cruise ships," says executive vice president Peter Whelpton Sr.

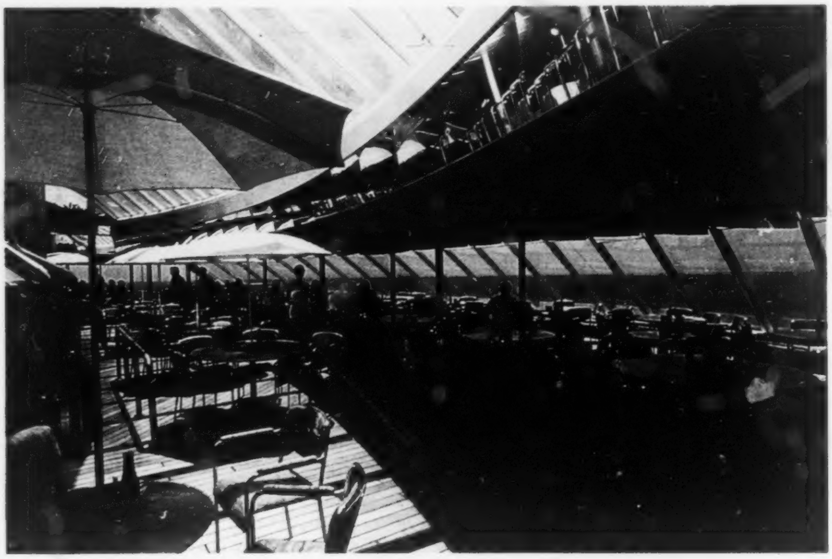
NOT THAT EASY. None of this comes easily, however, in a seasonal environment of rushes and slack times, where an unstable labor force and remoteness from the main supply chain can waylay the best of plans. Resort operators share the problems of the industry as a whole, and then some. By nature of their locales or types of business, some face particularly daunting challenges.

Running a restaurant atop 10,000-ft.-high Aspen Mountain is no more difficult than operating in the flatlands, says George Gordon of Gwynn's High Alpine, Aspen, CO. "Not unless you figure needing to buy a $100,000 snow-cat and hiring a full time driver-mechanic to haul food up the mountain, and three snowmobiles at $15,000 to carry the early morning help up before the ski lift opens," he says.

For the cruise lines, there is an even more staggering logistical challenge. Royal Caribbean Cruises, for example, prepares food for 600,000 passengers annually, serving up to nine times daily. It specifies 1,500 items with 600 suppliers worldwide, purchasing $40 million yearly. RCC's Sovereign of the Seas has more than 100 chefs and cooks in its galleys, and an equal number of dining-room personnel. At mealtimes, the ship serves up to 800 people multicourse dinners within two hours. Diners are served a starter course from a concealed service buffet, while orders are given to a dispatcher in the galley who takes them to the appropriate station.

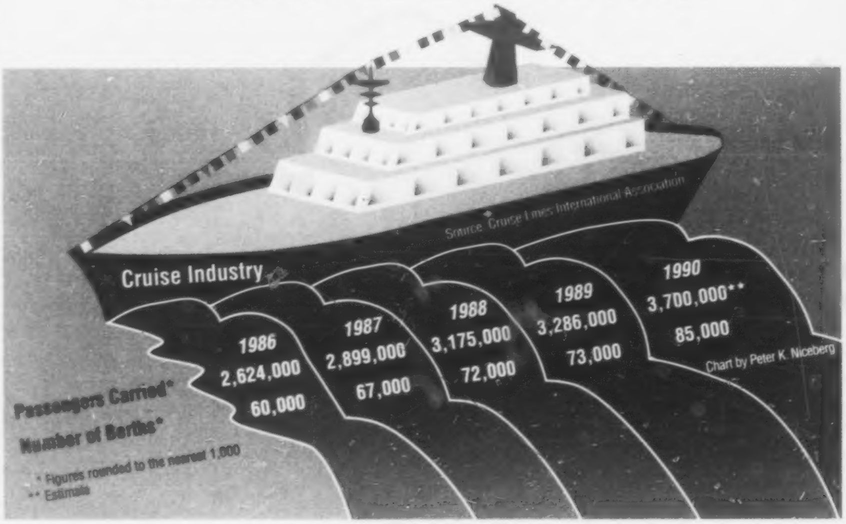
LABOR HEADACHES. Hiring, training, and motivating help is difficult in any environment these days, but in resorts the stakes are particularly high. This is especially important for front-line employees, who are in a position to either enhance or spoil the guest's experience with their attitude, effort, and skills. The Ciboney Ocho Rios resort in Jamaica has a lot riding on its front-line employees. There, each private guest villa has an attendant who provides personal guest services, such as mixing cocktails, preparing and serving meals, and sending out the dry cleaning.

"There's a big risk there, but a big reward as well," says Russell of Colony Hotels & Resorts. "We will spend three times more on training here than at any other resort."



Elegant dining, both a la carte and inclusive, abound in cruise foodservice, but there is plenty of room for casual dining in style in restaurants like the Big Apple Grill on the M/S Seaward.

ALL-INCLUSIVE PRICING MEANS GUESTS KNOW THEIR EXACT TAB AND DO NOT HAVE TO HANDLE CASH OR TIPPING.



* Figures rounded to the nearest 1,000
** Estimate

Source: Cruise Lines International Association

Chart by Peter K. Niceberg

Management strives to instill villa attendants with a sense of pride about their villa and the guests they are caring for. "That's their own home," says Russell. "There is a plaque there with her biography."

Severe seasonal fluctuations in business also create problems for resort operators. During the booming high season, management and labor are strained to maximize revenues. Yet during the off-season slump, operators must scale back drastically, often disrupting their labor force by laying off.

"Our biggest problem is in retaining crew from year to year," says Julie Wilson of Deer Valley, which is open December through April. "We lose them all and then have to recruit and retrain."

Many resort operators also report difficulties keeping their help until the end of the peak season. "If you lose a dishwasher in March, it's very difficult to find a replacement, because everyone's been hired," says Peter Harman, executive chef of Sundial Beach and Tennis Resort, Sanibel Island, FL.

Labor is a headache for Field's Steak and Stein, a family-owned and operated restaurant in Wisconsin Dells, WI, a tourist area known for river rafting and water shows. During its hectic summer season, which ranges from Memorial Day to Labor Day, it depends on college students for extra labor.

"A frequent problem for us is employees who quit with a couple of weeks left in the season because they want time off before school starts," says dining-room manager Robert Field. "We're able to cope with the shortfall in labor only because we have six family members working in the front and back of the house."

OFF-SEASON SAVINGS. Some operators are turning to new approaches to drum up business in the off season. During its peak Christmas to July season, the Marriott Desert Springs Resort and Spa, Palm Desert, CA, is pushed "to the wall," doing 70% of its annual business, according to food and beverage director Mike Stengel. But the resort remains open in the sizzling summer months, averaging 67% occupancy and selling out rooms on weekends, because it aggressively sells incentive groups, meetings, and local association functions.

"This is a cost-conscious clientele," explains Stengel. "They don't require a big catering staff, because they are happy to use the à la carte restaurants."

On Florida's West Coast, the influx of Haitian refugees in the 1980s has spelled labor relief, but not without another set of logistical challenges. The Sundial Beach and Tennis Resort on Sanibei Island transports Haitian housekeepers, dishwashers, and stewards in its own vans more than 30 miles each way from their homes in the Ft. Myers area to work each day.

"They can't afford to live near resorts such as ours," says Sundial executive chef Peter Harman. "Our retention rate is much better and they show up for work since there are no car breakdown excuses."

Walt Disney World in Orlando attracts an estimated 30 million tourists per year, and expects to have more than 75,000 hotel rooms early this decade. There, the boom in theme park, hotel, and restaurant building has created a sellers' market for kitchen labor, with the starting rate for experienced cooks pegged at $8 to $9 and rising, says Harman.

Labor problems in Aspen, CO, aren't as tough as one might think, says George Gordon of Gwynn's High Alpine. However, he goes to what some might think are extraordinary lengths to keep help.

"Our philosophy is to offer more than other employers to get the best people." He starts bussers at $7 per hour ("not that much in Aspen") and gives them free ski passes. Work schedules are flexible to allow slope time—one week three days on, the following week four days on. In addition, most employees have extra income from night jobs in bars, clubs, and other restaurants.

Few business bets are sure things given the current global and economic situation. Yet even factoring in the operational peculiarities of resorts, from the operators' viewpoint, it is clear that long guest stays and premium room rates and menu prices add up to a lucrative proposition. **RB**

MARKET SEGMENT REPORT

RETAIL & DELI

Retail stores are competing against restaurants.

By Carol Casper

Operators who think they compete only with their fellow restaurateurs down the street had better wake up and smell the coffee. Not the brew emanating from their own kitchens, but the rich aroma wafting in from delicatessens in retail food stores. The movement of supermarkets, convenience stores, and independent delis into foodservice is well established and growing stronger.

Retailers watched the restaurant industry prosper over the last few decades by catering to changing consumer lifestyles. Now they have decided to join, or crash, the party. Responding to the same lifestyle trends that are fueling the restaurant take-out boom, retail delis are experimenting with a wide range of food options. In supermarkets, in-store delis have led other departments in growth for several years, with freshly prepared foods their fastest-growing products.

EXPANDING. "Not only is the trend of expanded delis and foodservice in supermarkets continuing," Howard Solganik, a Dayton, OH-based supermarket consultant comments, "but stores that were wary of this concept in the past are now taking a serious look."

Sales of hot and cold prepared foods in supermarket delis rose to $3.88 billion in 1989, nearly doubling the volume in two years, reports *Supermarket Business* magazine. While hot-food cases were the natural first line of expansion, there is a strong move now on the part of supermarkets toward the production of fresh prepared, chilled entrees. Other trends include the spread of ethnic foods, gourmet pizza, in-store dining areas, and full-service catering, notes Solganik.

While supermarket delis are cutting a wide swath across a range of foodservice categories, many convenience stores are competing with the fast-food sector.

THE ATTRACTION. The high profit margins of foodservice are a major attraction. *Supermarket Business* reports, for example, that in 1989 gross margins on prepared foods averaged 52.2%, enabling these items to contribute over 5% of store profits based on an average 2.1% of store sales.

Statistics show that consumers

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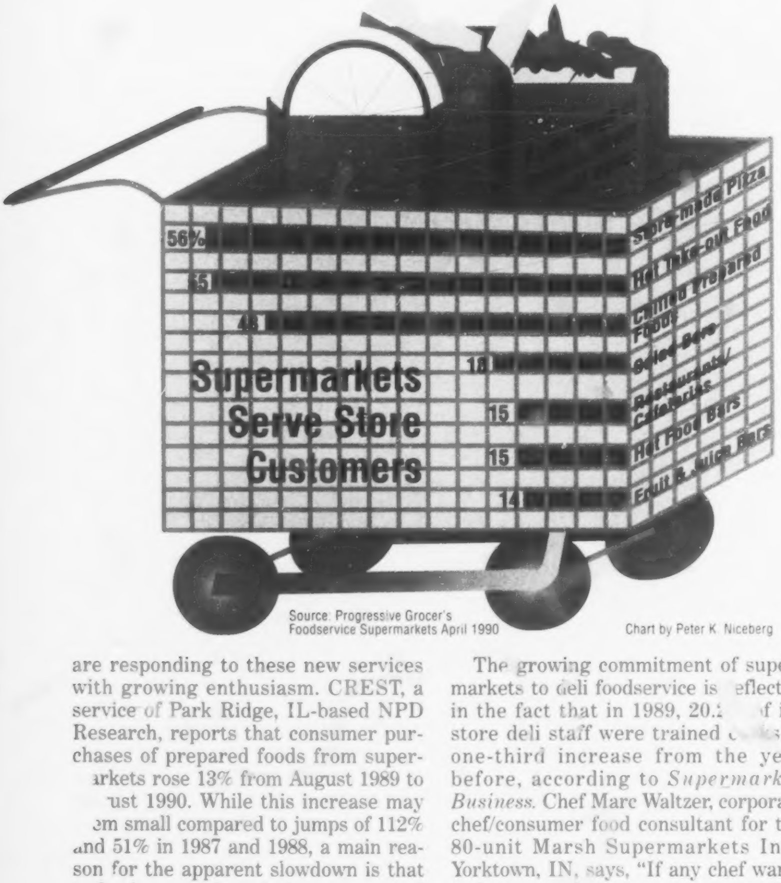
Sutton Place Gourmet stores' upscale deli departments feature over 50 items prepared by trained chefs.

LOGO BY STEPHANIE CASSAS

MARKET SEGMENT REPORT

RETAIL & DELI

Supermarkets are now beginning to cater.



Source: Progressive Grocer's Foodservice Supermarkets April 1990

Chart by Peter K. Niceberg

are responding to these new services with growing enthusiasm. CREST, a service of Park Ridge, IL-based NPD Research, reports that consumer purchases of prepared foods from supermarkets rose 13% from August 1989 to August 1990. While this increase may seem small compared to jumps of 112% and 51% in 1987 and 1988, a main reason for the apparent slowdown is that today's growth is being measured against a greatly expanded base.

Similarly, in c-stores CREST reports that purchases of prepared foods grew 9% from August 1989 to August 1990, following a period of several years of strong double-digit growth.

A lot of restaurants don't want to believe that grocery stores are in competition with them. But we really are," says Mike Bove, director of specialty foods at Rice Epicurean Markets, Houston. "Just during lunch, we average a total of $3,500 a day from our delis in three stores."

The growing commitment of supermarkets to deli foodservice is reflected in the fact that in 1989, 20.[illegible] of in-store deli staff were trained [illegible], a one-third increase from the year before, according to *Supermarket Business*. Chef Marc Waltzer, corporate chef/consumer food consultant for the 80-unit Marsh Supermarkets Inc., Yorktown, IN, says, "If any chef wants to jump on a hot concept, supermarket foodservice is it."

ADVANTAGES. Despite their general lack of experience in food preparation, supermarkets have some competitive advantages. For one, they can draw ingredients from regular stock, resulting in far lower food costs.

Supermarkets also offer one-stop shopping. "A lot of prepared food sales are impulse purchases," notes Waltzer

On the other hand, if they aren't shopping, supermarkets are less convenient than a take-out or drive-thru restaurant. To combat this, some are now installing separate check-outs and entrances for their expanded deli operations, while a few have even attempted drive-thru windows or delivery.

DELIVERY TOO. Cunningham's Fresh Foods Supermarket in Marshfield, MO, offered fresh store-made pizza home delivered from 5 p.m. to 10 p.m. for close to two years, until the program was discontinued because the person spearheading it left the store.

"About 30% to 40% of our pizza was delivered," says Neenah Cunningham, one of the owners. "Customer acceptance was great." The supermarket also delivered lasagna and fried chicken.

Deli/bakery manager Ramona Chapman says the store may reinstitute the pizza program, and is considering installing a drive-thru window. In the meantime, Cunningham's expanded deli offers fresh-made uncooked pizzas, as well as a hot-food table.

There is some controversy as to what works best for supermarkets, traditional home-style foods or fancier fare. For many, a winning approach seems to be some combination of the two.

Most of Marsh's supermarkets, located in Indiana and Ohio, for example, offer mainly traditional foods such as fried chicken, macaroni and cheese, and lasagna. But the chain has also installed a Chinese take-out kitchen in one market, which offers 12 entrees and three soups daily. The Chinese kitchen does a strong lunch business with a $3.99 special.

Another new concept the chain has introduced in two stores is a European-style pizza called "crostada." Instead of tomato sauce, Marsh uses marinated plum tomatoes and toppings such as teriyaki chicken with cashews, pesto,

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Rice Epicurean Markets provide some seating in its delis.

Supermarkets are offering more exotic hot and cold entrees.

and spinach and feta cheese.

SUPER SEATING. Marsh has also included seating areas for 40 to 50 people in a half dozen of its newest locations. But, 95% of the chain's deli business is from take-out.

Taking a more upscale approach are the three Rice Epicurean Markets of Houston. Their hot-food tables feature such items as stuffed tenderloin of beef and smothered pork chops. It also includes more standard fare. In addition, the delis offer salad bars and self-service cases featuring pizzas, sandwiches, sushi, entrees, and salads. Also in the deli is a service case with pastries and specialty cakes. This is in addition to the stores' regular bakery departments.

All the stores provide some seating in the deli. Each market has its own head chef plus three or four trained cooks. "Currently all preparations are done in each store, but we're getting close to the point where we'll need a commissary, both to insure quality and consistency, and to help with our growing catering business," says director of specialty foods Bove. Off-premise catering is now the Epicurean Markets' fastest growth area.

Prepared foods also play a large and growing role at three specialty stores operated by Sutton Place Gourmet, Rockville, MD, accounting for 15% to 22% of each store's volume. With annual sales of $35 million, the Washington, DC-area shops cater to upscale customers, according to senior vice president Ann Brody.

The centerpiece of its newest Alexandria, VA, location, and an important part of its Washington and Bethesda, MD, sites as well, is a "Traiteur" department that offers chef-prepared food, from roast lamb and whole sides of poached salmon to fajitas, quesadillas, and crab cakes. Each day, about 50 items are available. The stores also have standard delis.

Another supermarket that takes an upscale approach is eight-unit Gelson's, based in Los Angeles. All stores feature a selection of 40 gourmet salads prepared fresh daily. The stores also feature a hot-food section that service deli supervisor Joe Margucci terms "more extensive than most. Gelson's also has sushi chefs rolling sushi in each store. The delis account for a minimum of 10% of store sales and in many instances a significantly higher percentage, Margucci says.

Gelson's also recently began adding tables outside the front of its stores.

MAJOR COMMITMENT. Two stores that have made a major commitment to freshly prepared, ready-to-heat products are Schenectady, NY's Price Chopper chain, and G. & R. Feldpausch Co., Hastings, MI.

Price Chopper has introduced a "Cook's Kitchen" line of ready-to-go deli entrees in 19 of its 27 50,000- to 70,000-sq.-ft. "supercenters." Its concept entails hiring trained chefs to prepare 20 to 25 upscale hot and cold entrees, side dishes, salads, and desserts in each store daily.

The Cook's Kitchen line is positioned as a more upscale choice, notes Joanne Gage, director of consumer services. "We're an alternative," she says.

Some of the supermarkets also include coffee shops or snack bars within the deli, where customers can eat their purchases or order from a limited menu of short-order items.

G. & R. Feldpausch recently expand-

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MARKET SEGMENT REPORT

RETAIL & DELI

Many c-stores have moved into full-scale fast-food menus.

ed its similar "Kitchen Express" prepared foods program from its Battle Creek, MI, store to a new Feldpausch Food Center in Elkhart, IN. The items are made fresh daily in each store and packaged in dual-ovenable containers. Many of the company's other markets have hot tables in their delis but these typically utilize frozen entrees, says director of consumer affairs Jean Storey. The stores are also getting involved in a growing catering business.

A pioneer in the fresh prepared foods movement in New England is Roche Bros., Wellesley, MA, which debuted a Food Court approach in its Millis, MA, store almost three years ago. Separate food stations within the expanded deli area include the Rotisserie, a hot case for ready-to-eat entrees, and packaged, chilled items.

Since Millis, the chain has done similar sections in two Sudbury Farms stores, a supermarket concept geared to smaller, more upscale markets. Called "The Kitchen," these departments feature the same programs but unlike the Millis store have no seating.

Foodservice items in these stores contribute 6%-7% of sales, roughly twice the percentage in Millis, according to deli director Paul McGillivray.

GROCERY CAFETERIAS. Like some of the Price Choppers, a number of other supermarkets have incorporated actual restaurants, not just seating areas, in their delis. Clyde Evans Markets' Lima, OH, Super Store runs a cafeteria in its deli. About 50% of the items are prepared in-store from scratch. The deli also features chilled foods for take-home, a section deli/bakery director Eric Lowry plans to expand.

Burnstad's Pick 'n Save, Neenah, WI, has a 50-seat restaurant across the aisle from its deli, linked by a salad bar. Although the restaurant features its own menu, it is not uncommon for customers to purchase chilled prepared foods from the deli and ask to have them heated to eat in the restaurant, according to manager Chris Fiedler.

Another merchant that uses a restaurant for cross-promotion is Stock Market Food Stores, Gig Harbor, WA, which operates a restaurant across from its delicatessen.

While such restaurants are new additions for many supermarkets, 156-unit Hy-Vee Food Stores, Chariton, IA, has operated cafeterias in most of its supermarkets for 25 years. Hy-Vee's deli restaurants are open for breakfast, lunch, and dinner, offering complete hot menus as well as cold salads and desserts. Although people can also take food out, the majority is eaten in-store.

C-STORE CHALLENGE. While fresh prepared foods are the big growth area in supermarkets, most convenience stores seem to be heading off in either of two opposite directions: fresh, in-store preparation for some, prepackaged self-service for others.

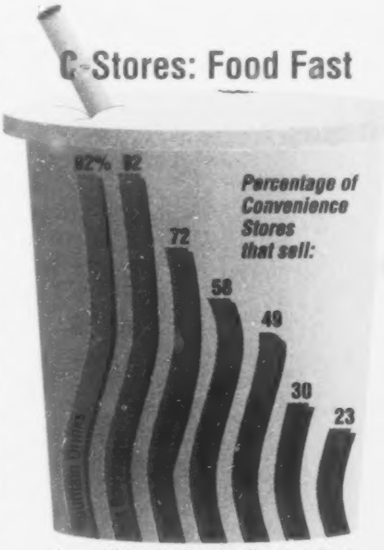
"In-store prepared foodservice is more labor intensive, but much more profitable. If done right, margins can be double that of prepared, prepackaged items," says Tom Campbell, president of C-Store Concepts, a Plano, TX-based consulting firm. "On the other hand, many of the oil companies take a 'back-to-basics' simplified approach."

A few oil companies, however, are expanding with larger stores and in-store preparation. Chicago-based Amoco Corp., for example, recently debuted a new Split Second c-store concept in Dunedin, FL, near Tampa. Nearly three times the size of one of the 1,000 Food Shops the company operates, the prototype also features an expanded foodservice section. Deli fare prepared in-store includes hot dogs, pizzas, and sandwiches on fresh-baked breads and rolls. The store also offers soups, salads, yogurt, fresh-baked rolls and doughnuts, and fresh ground coffee, plus in-store seating.

Foodservice accounts for close to 18% of sales at ARCO's AM/PM Mini Marts, says manager Don Davis. That figure has risen in the last two years and the company hopes for further increases. The Los Angeles-based oil retailer has Marts at 750 of its 1,650 ARCO stations, offering beverages, hot dogs, cheeseburgers, egg rolls, nachos, fries, burritos, ice cream, pizza, and fried chicken.

Although growth in fast-food restaurants has slowed, c-stores see an opportunity, Campbell says, because "the same customer base that shops in convenience stores also buys fast food."

"Convenience stores enjoy the perception that they are fast, convenient places to get in and out of, and they have a huge customer base in the stores at all three meal segments, buying gas and other items."



Source: 1990 State of the Convenience Store Industry Report, National Association of Convenience Stores

Chart by Peter K. Niceberg

MARKET SEGMENT REPORT

RETAIL & DELI

White Hen Pantry stores feature 8-ft. deli cases.

Many convenience-store chains are competing against fast food.

Unlike some c-stores that have hopped on the bandwagon more recently, White Hen Pantry has anchored its foodservice in the cold deli case since its first stores opened in 1965.

"Our stores have 8-ft. deli cases with slicers and condiments, and the majority of sandwiches are made to order," notes Al Davis, senior vice president, operations. "Chainwide, the deli counters contribute 12% of store sales." The chain has slowly phased in microwave ovens at about a third of its 400 stores in the Midwest and New England.

SANDWICH STOP. Another chain banking on sandwiches is Houston-based National Convenience Stores, which operates 1,073 Stop & Go stores. After upscaling its merchandise mix early last year in an attempt to woo a new class of shopper, this fall the company rolled out a deli sandwich program to its 500 Houston stores. The "Great Sandwiches" line features seven specialties delivered to the stores each day from a central kitchen. With an average retail price of $3.50, selections include Italian garnished with red, yellow, and green peppers and herb dressing, Cajun roast beef with pepper cheese and purple cabbage, and a Turkey Supreme with Swiss cheese and honey mustard dressing, according to director of fast food Paul Folk.

Taking a more extensive approach to foodservice is Hucks Food & Deli stores, with 103 locations in Illinois, Tennessee, Kentucky, Missouri, and Indiana. Hucks has several programs. About two-thirds of locations have full-service delis that prepare fresh sandwiches and salads in-store. Twenty-two stores offer fried chicken, along with other hot foods. Several other stores have pizza by the slice.

We use components, including ready-made crusts," says foodservice director John Leskovisek. "We tried scratch, but it didn't work." Hucks has also just added a breakfast program to nine stores, featuring breakfast sandwiches on scratch biscuits. Foodservice averages 22% of sales.

Jr. Food Marts' director of advertising Gene Clark stresses the Jackson, MS-based chain's commitment to fresh in-store preparation.

JFM's stores have featured a signature Creole fried chicken program for 15 years. Units also feature a traditional sandwich and salad-type deli, in-store bakery, and country-biscuit breakfast sandwiches. Most stores have some seats, and 30% of sales are eaten in. The delis account for 40% to 50% of inside sales.

MORNING MEAL. Wawa Food Markets, Wawa, PA, rolled out its first hot breakfast item, a bagel breakfast sandwich, chainwide late last year. The sandwiches are being manufactured to specifications by an outside supplier, according to purchasing manager Dennis Pollock.

Wawa's 490 Food Market's, located predominantly in Pennsylvania and New Jersey, also feature custom-made sandwiches and fresh salads, and steam-table service of hot soups, macaroni dishes, chili, and beef stew.

CAUTIOUS. Taking a more cautious approach to foodservice is Huntley's Jiffy, Orange Park, FL. This chain offers foodservice in just 60 of its 327 Florida and Georgia stores, ranging from deli sandwiches to fried chicken.

"We started getting into foodservice 10 years ago, and are adding new operations steadily," says director of foodservice Tom Bott. Most items are prepared in-store, including salads, biscuits, and croissants. Some also feature hot sandwiches and entrees.

"We're taking a variety of approaches, but one trend will be to cut labor costs as much as possible, whether by having customers heat up their purchases in a microwave, or bringing food items in from a central commissary," says Bott. **RB**

RB
RESTAURANT BUSINESS

SPECIAL REPORT

CAREER BURNOUT

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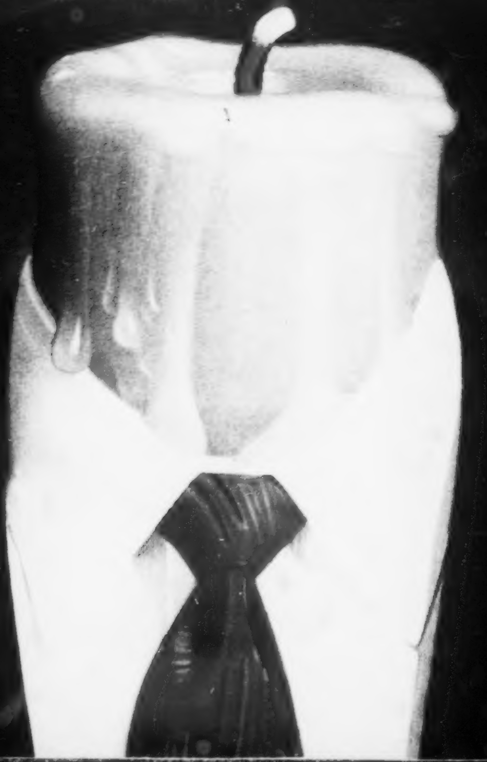

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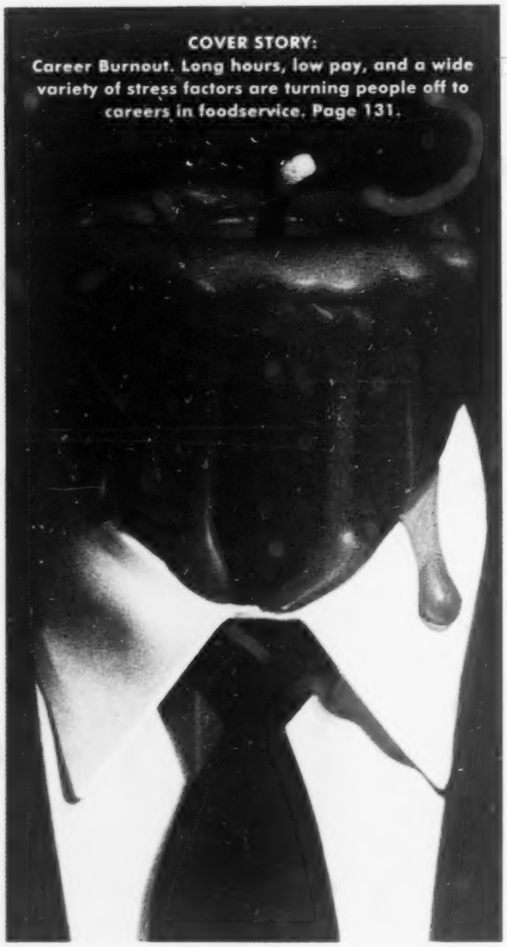

COVER STORY:
Career Burnout. Long hours, low pay, and a wide variety of stress factors are turning people off to careers in foodservice. Page 131.

COVER STORY

FOODSERVICE INDUSTRY CAREER BURNOUT Is a career in foodservice worth it? That depends on who you talk to. For many managers at the unit level, bone-crushing work schedules—70- and 80-hour weeks are still the norm in many restaurants and hotels—constant operational crises, and a wide variety of other stress factors top the laundry list of occupational complaints. And yet, there are plenty of people who appear to thrive on just this kind of fast-paced atmosphere. This special report includes proprietary information from a survey of 200 foodservice managers and owner/operators taken for *Restaurant Business* by the QUME Group. Also, included are case histories and some solutions offered by innovative companies. **131**

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CHAIN SPAGHETTI WAREHOUSE Slow but steady growth is changing for this restaurant chain. Now, in 1991, the company is planning to open four new restaurants, and Spaghetti Warehouse will become a franchisor for the first time in its 19-year history. **92**

INDUSTRY ISSUE RESPONSIBLE HOSPITALITY To be successful in the 1990s, the foodservice industry must assume a leadership role, becoming involved with the community, in addressing public concerns. This will truly be the proactive decade. Owners and managers must free up more time to participate in community activities if they want to establish a meaningful presence in the policy-making process. Responsible Hospitality Councils are one way this can be achieved. **94**

INDEPENDENT STAR GLEN SANDERS MANSION Angelo Mazzone has opened a restaurant and banquet hall in a 17th-century mansion where General George Washington once was entertained. **102**

INDEPENDENT STAR BLAZERS As a restaurateur, James Britt has proven himself to be quite adept. Though Blazers was in trouble when Britt took it over, he turned the restaurant around by adding professional service, diversifying the menu, and introducing new marketing programs encouraging repeat business. **112**

DESIGN CAFE PHOENIX Robert Vallozzi, a 36-year-old Fort Lauderdale-based filmmaker, is accustomed to running the show. Cafe Phoenix is his first restaurant venture, and he applied his film-making skills to the project of creating a casual cafe with dance club and private facilities in an art-deco environment. **118**

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Cover illustration by Marvin Mattelson.

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Reprints of the **1990 RESTAURANT GROWTH INDEX** and **1990 MAJOR FORCES IN FRANCHISING** are available for $7 per copy. Direct inquiries to Editorial Director Peter Berlinski, *RB*, 633 Third Ave., New York, NY 10017.

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COVER STORY **THE SERVICE SLIDE** In this era of fierce competition, restaurateurs must acknowledge the importance of good service and its marketability—for building reputation and repeat clientele. This article will be broken up into three parts. The first section will focus on full service; Part two will focus on the quick-service sector; and the third section will take a case study approach, featuring examples of successful operators.

MAJOR FEATURE **26th FRANCHISING REPORT** Once again, *RB* offers the most current information on franchising in America. Choosing a niche wisely has been the strategy the last couple of years; that continues in this era of cautious growth. As in past years, we will cover the top 11 major market segments as well as franchise relations.

MARKET SEGMENT REPORT **AMERICAN BISTRO** The next generation of casual dining has a distinctively American stamp. It's largely the province of independents, who are forging a new path in fun, quasi-sophisticated food and comfortable down-to-earth atmosphere.

TEST KITCHEN:
Seafood, p. 205.

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RB

SPECIAL REPORT

CAREER BURNOUT

Long hours, lack of advancement, bottom-line pressures, disruptions of family life—these are just some of the reasons so many foodservice workers question a long-range stint in our industry. In this article, *RB* takes a comprehensive look at the causes of and possible solutions to career burnout. Extensive research is highlighted, including the results of a Qume study of 200 foodservice managers, and interviews with foodservice executives who have innovative solutions to managing manager strain and interesting turnover reduction programs. Consultants, people who have left the industry, and current foodservice unit managers who are flourishing on the firing line offer their insights on how to balance stress and challenge. It all adds up to a high-wire act, and in the volatile '90s, the foodservice industry can't afford to slip.

By Joan M. Lang

ILLUSTRATION BY MARVIN MATTELSON

SPECIAL
REPORT

BURNOUT AND MANAGEMENT TURNOVER ARE AMONG THE MOST SERIOUS PROBLEMS THE INDUSTRY FACES, BUT MANY COMPANIES ARE BEGINNING TO FIND SOME SOLUTIONS.

FOODSERVICE JOB PROFILE STUDY

The data presented here were developed in conjunction with The Qume Group Ltd, a research and consulting organization based in New York City, from a telephone survey of 200 foodservice operators nationwide. Respondents were selected from *Restaurant Business*' subscriber list based on the following classifications:

1. Type of establishment: Restaurant, lunchroom, diner, drive-in, or cafeteria.

2. Title: Company Officer (president, owner/operator, partner, etc.) or Foodservice Management (manager, director of foodservice, chef, food & beverage, etc.).

3. Type of ownership: Independent or Franchised Independent.

The typical (mean) respondent is 37 years old, married with one child, has some college education, earns $35,000 a year, and works in a restaurant or foodservice operation with annual sales of $966,000 and employing 33 people.

Richard Rivener had it made. At 29, Rivener (not his real name) had worked his way up the ranks to become general manager of a $3.5-million-a-year restaurant, one of several top-performing units of a national dinnerhouse chain. In the last three years, he had been promoted four times, first to an assistant manager in a large training unit, then to general manager in a smaller market, where he developed a reputation for being ambitious, hard-working, and well-liked. Now, he was running one of the busiest stores in the system and his career was really taking off—in more ways than one.

One hectic Saturday night, with more than 70 hours on the clock already and a dishwasher who failed to show up for his shift, Rivener snapped. He locked his keys in the safe, closed the office door behind him, and walked out, leaving behind an hour-and-a-half wait, a kitchen crew short one person, and a stack of guest bills that needed checking. When last heard from, Rivener was selling computers.

PROFOUND IMPACT. Chalk another one up to management burnout, that voracious beast that chews up smart, talented people and spits them out, totally disillusioned and sick of their jobs and careers. And while no one knows exactly how many people choose to leave foodservice operations for good every year, it's safe to say that the problems leading up to burnout have a profound impact on job satisfaction and industry turnover.

Is a career in foodservice worth it? That depends on who you talk to. For many managers at the unit level, bone-crushing work schedules—70- and 80-hour weeks are still the norm in many restaurants and hotels—constant operational crises, and a wide variety of other stress factors top the laundry list of occupational complaints. And yet, there are plenty of people who appear to thrive on just this kind of fast-paced atmosphere.

In a recent survey of 200 foodservice managers and owner/operators taken for *Restaurant Business* by the Qume Group of New York City, 73% of respondents reported that they were extremely or very satisfied with their jobs (see accompanying charts). This satisfaction was not without its challenges, however. In fact, a number of serious problems were reported by all respondents, whether they were satisfied with their jobs or not, including: long hours (76% of respondents); working holidays/weekends (59%) and nights (58%); underqualified workers (62%) and employee turnover (63%); disruption of family life (36%); and inability to express opinions (38%). Moreover, 37.5% of the total 200 surveyed characterized their jobs as either extremely or very stressful, and 52% felt that a career in the foodservice industry is more stressful than in other industries.

SOLID SATISFACTION. What is it, then, that leads to such solid levels of satisfaction? "I love meeting and pleasing the customers, and I also enjoy the creativity involved in working with food," enthuses one manager who puts in 70-hour weeks and has experienced just about all of the problems that a career in foodservice is heir to. But if her comments about what she likes about her job are typical, so are her complaints: "The hours are a problem and so are some of the irresponsible people I have working for me." And therein lies the rub. The industry suffers from extremely high turnover—estimated at an excess of 300% at the hourly level and as high as 50% or more at the unit management level, according to some sources. At a time when the industry desperately needs qualified, competent personnel, people are leaving their jobs in significant numbers. What's worse, some of them are leaving the industry altogether.

"Over the years, we have done exit interviews with hundreds of management people," says Benny Ball, senior vice president of personnel for Shoney's Inc., Nashville, "and were astonished at how many were not leaving because they had a job with another chain, but because they wanted out of the foodservice industry. That sent up a real red flag for us." (See sidebar, page 144, for more information on how Shoney's addressed its turnover problem.)

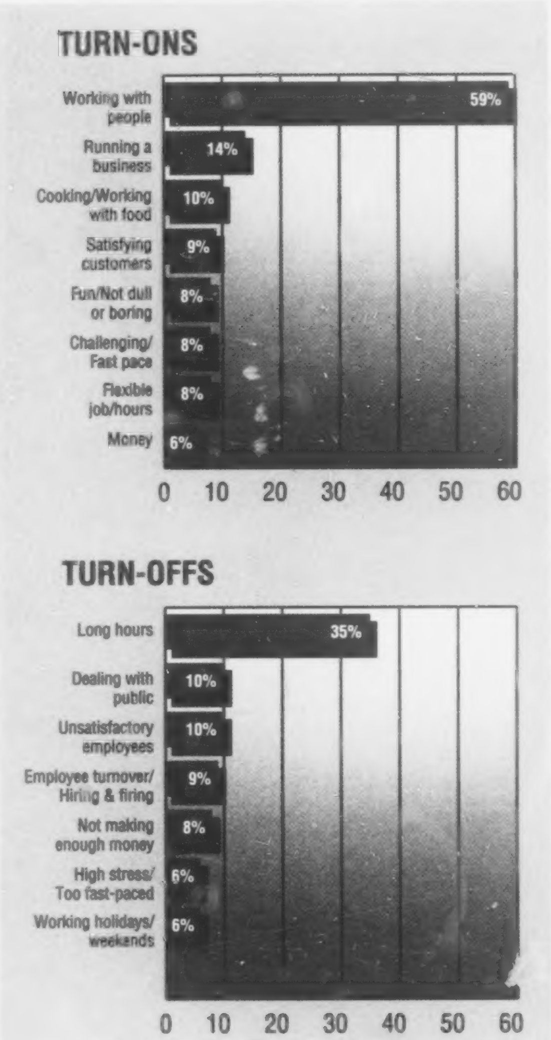
According to one study, attrition is a major problem for everybody. Jointly conducted by David V. Pavesic, Ph.D., associate professor and director of the Cecil B. Day School of Hospitality and Administration at Georgia State University, and Robert A. Brymer, Psy.D., associate professor in the Department of Hospitality Administration at Florida State University, the study surveyed 442 graduates (years 1983-1987) from 11 four-year HRI programs to find out how many are still in the hospitality industry today.

ATTRITION. The results were discouragingly clear: Of the respondents who entered the industry upon graduation, 18.3% eventually left; if the parameters of the occupations considered are narrowed to define operations (rather than sales, consulting, and other related areas), the attrition rate skyrockets to 29.9%. (In addition, 9.5% of the surveyed graduates never even took a job in the industry in the first place.)

The reasons cited for leaving included dissatisfaction with hours, shifts, and schedules (28.9%); dissatisfaction with pay and/or benefits (24.1%); and personal reasons, such as negative impact on family and personal relationships (21.9%). A typical comment: "Long hours and low pay? Who needs it!"

Pavesic points out that the third and fourth years of a young manager's tenure in the industry appear to be critical; he or she will tolerate difficulties and disappointments for the first two years, but after that, "you'd better start providing some challenges and recognition for your managers."

The problem of attrition does not stop there, however. "You'd be surprised at how many people with years of experience want to get out of this business," says Alan Massarsky, president of Marshall-Alan Associates, a New York City-based executive search firm specializing in the hospitality field. "And if they're not looking to get out of the industry, they're trying to get out of operations. There is no quality of life in running a restaurant, so these people want to go into sales, they want to go into corporate dining, they want to get into the research and development end. And they'll gladly take a cut in pay to do it."



SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

"You just get burned out," says Patrick McDonnell, now a principal in the Fairfield, CT, consulting firm of McDonnell, Kinder & Associates Inc., who put in more than 10 years in the trenches at a variety of restaurants, including his own in Baltimore. "I was 30 years old and at the center of a very successful restaurant, but I was working 80 to 90 hours a week and had two kids at home that I never saw."

And so he sold out, ultimately trading his $70,000-a-year income for a $38,000 research and development position, a move he's never regretted—even though the project he entered was "defunded" just a few years later.

"I was in danger of doing myself permanent damage in that restaurant," says McDonnell, who turned his research and development contacts and expertise to the business of consulting. "Seasoned operations people get a hell of a lot of abuse. The pace is terrible, it's murder on your marriage and family life, there's no long-term security. I woke up one day and realized I didn't have to put myself through that anymore."

THE PROBLEMS AND SOLUTIONS. Long hours, working nights and weekends, the physical demands of standing for hours on end, underqualified coworkers, problems of employee theft and substance abuse: All of these problems are reported to a significant degree—even by managers who say they are satisfied with their jobs.

But the true nature of the industry goes beyond such simple "grocery lists" of complaints, each of which could probably be addressed—at least in the ideal setting.

"The hospitality industry is a high-pressure, highly task-oriented business," says Joel

continued on page 136

Goldberg, president of Career Consultants, a management consulting firm based in Union, N.J. "The manager has an ongoing series of problems to solve; he solves one day's set of problems but then the next day, he just gets another. And in most cases, he's not getting enough positive feedback, so the situation becomes very frustrating and very stressful."

The answer lies, at least in part, in training. "You've got to give managers the tools they need to solve problems and make decisions," says Loret Carbone, vice president of human resources for Chicago's Lettuce Entertain You Enterprises (LEYE) restaurant group. LEYE's training program is particularly comprehensive: 12 weeks, divided into three phases, covering every single management and operational function, as well as psychological preparation for the job.

Each phase involves both hands-on training and role-playing, and the candidates cannot move on to the next stage until they pass a three-hour verbal final with a "board" of three partners, who monitor and observe their reactions to different situations, as well as their ability to adapt. After that, the nascent manager gets on-site training under the mentoring eye of one of LEYE's operations partners.

CERTIFICATION. Some operators would go even further. "I think managers should be certified," says Bill Main, a San Francisco-based consultant and co-owner of The Shore Bird, a seafood restaurant in Princeton-by-the-Sea, CA. "Most managers, even graduates of HRI programs, do not have professional, hands-on training to be managers, the way chefs have training to be chefs. Instead, they just evolve. And too often what happens is that they get burned out because they just don't have the skills and the training to prioritize their work and they can't [illegible]plish what they need to, no matter how many hours they're working."

The certification process would establish certain standards by which all front-of-house managers could operate, says Main, and would also enable the industry to establish consistent pay scales. "Right now," he adds, "there's no common denominator as to level of skill, and the industry has no consensus about what managers are worth."

The Educational Foundation of the National Restaurant Association is working to develop standardized certification programs for companies, state associations, and trade groups. According to Ellen Decker, director of certification and instructional services for the foundation, these programs are looking at the total role of managers. "The foodservice manager wears many hats," she explains. "We recently did a study of tasks that make up the typical manager's job, and the foodservice manager has 96 to 98 different tasks to perform, compared with only about 40 to 45 associated with comparable management positions in other industries. Obviously, this is a very complex issue, but if we can help managers prepare themselves to cope with all of these different situations, then we can help improve things."

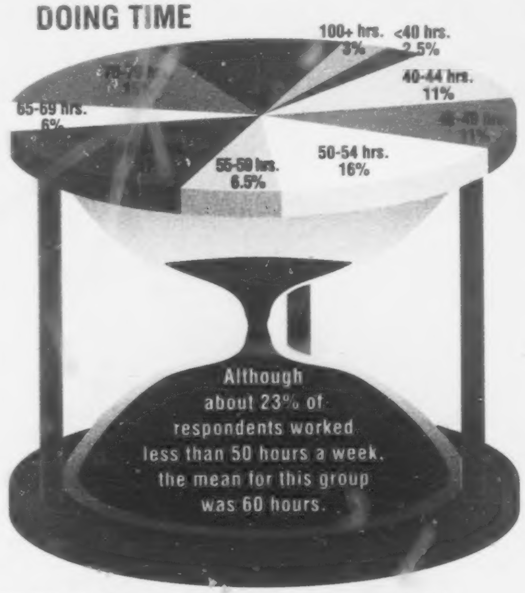
NO OUTSIDE LIFE. A veteran of a grueling training program with a large hotel chain—"I was 22 years old and had no life at all outside of the hotel"—she moved to a restaurant management position where the shortest of her six shifts a week was 11 hours. Physically and emotionally exhausted, she ultimately suffered a bad fall in the restaurant, breaking her ankle in eight places. "Some of these companies treat managers like cheap labor," she says now, having traded her operations skills in for the relative calm of a development job. "You fill in wherever you're needed, regardless of how many hours you're putting in."

Hours are indeed a pervasive problem with a career in foodservice. "Everybody I know in the business is exhausted," admits Sam Hayward, chef-owner of 22 Lincoln, an upscale restaurant in Brunswick, ME. "In the trenches, here in the kitchen, it's back-breaking work. I put in 70 hours a week right now, and I'm getting pretty tired."

In a way, Hayward is a victim of his own ideals. He chose to attempt fine dining in small-town New England, where he can get locally grown ingredients, but where there is little of the indigenous dining population necessary to support his efforts. In November, 1989, recession hit Maine hard, and Hayward was forced to lay off his full-time administrative assistant and his sous chef, whose duties he has taken upon himself. For the next year, he drew no paycheck; now, things have stabilized to the point where he can pay himself about $5 an hour.

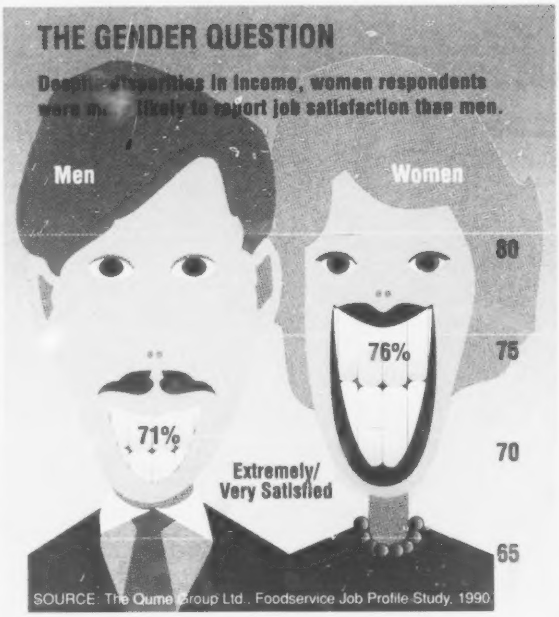
STICKING IT OUT. "Between running the restaurant and being primary care-giver to my children three days a week while my wife works, I have a lifestyle that would be unsustainable for any real length of time," he says. Still, he will stick it out, staying open "as a service to the community," as he puts

DOING TIME



SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

CHART BY PETER K. NICEBERG



THE GENDER QUESTION

Despite disparities in income, women respondents were more likely to report job satisfaction than men.

SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

DESPITE PROBLEMS, MANY OPERATIONS PEOPLE REPORT THAT THEY ARE SATISFIED WITH THEIR CAREERS IN THE FOODSERVICE INDUSTRY.

it. But he would love to work a 40-hour work week for a change. "I wonder what it feels like to be well-rested?" he says with a sigh.

For some, the hours will prove too much. "It was beginning to look to me like having a family—even having a good marriage—didn't go with working in operations," says Kirk Waisner, who worked in a number of restaurants in California, London, and New York City before taking a job as the head of the $5-million-a-year in-house bakery at Stew Leonard's, a large independent food store in Norwalk, CT. "In order to be successful, you had to work 100 hours a week."

Waisner admits now that he was blind to this necessity when he first started out. A chemical engineer by training, he was carried away by the romance of cooking and running a kitchen. "If I'd done my research a little better," he says, "I would have seen what kind of work it takes." Now, he is in charge of product development and quality control at the largest in-store bakery in the country, supervising 80 employees and enjoying regular hours.

Despite these issues, there are abundant signs that the foodservice industry is beginning to change its tune. "I've been seeing more and more companies move mountains to help their people feel that there's a long-term place for them, and to help them find satisfaction in their jobs," says Alice Elliot, president of Elliot Associates Inc., personnel consultants to the hospitality industry based in Tarrytown, NY. "The industry is definitely getting more proactive in its approach to preventing departure."

One of the crucial issues, according to Elliot, is quality of life. "People have to be able to keep a balance in their life in order to be happy and productive. Today's managers expect that."

Jim Peters, president of the Responsible Hospitality Institute, a training and advocacy organization in Santa Cruz, CA, believes that much of this is due to the relatively recent influx of women into the industry. "We've seen many changes having to do with the influence of women as they move into the work force," says Peters, noting that women often have different ways of solving problems and working cooperatively, and a need for flexibility and "wholeness" in their lives.

Whatever the reasons for this societal shift, many employers are responding. Hardee's now has a companywide "ideal" of 45- to 50-hour, five-day work weeks, with a minimum of at least one full day off a week and one weekend off every month. Shoney's Inc. also has a five-day work week throughout its system. Pizzeria Uno offers its managers compensatory time off if they are asked to work more than five days. "Too many companies treat their managers like shift workers," says Gregory Keenan, vice president of operations, Atlantic region, for the chain. "The general manager has to pull a 'free shift' at the door when the hostess doesn't show up, he has to work a dishing shift when the place is short a dishwasher. You can't keep doing that to people."

PROGRESSIVE POLICIES. Rob Dougherty, a bar manager at the Hendersonville, NC, unit of McGuffey's, a Southeastern regional dinnerhouse chain known for its progressive human resources policies, works five, 10-hour shifts ("much less than any of my previous jobs") and he loves the flexibility—that and the fact that there are always enough managers on duty to cover the operation. "A lot of my friends are in the industry, and their employers work them to death. That's not the case here."

Operators who fail to recognize that their managers are getting fed up with the hours and stress face competition from a variety of other industry-related employers, including supermarkets (known for their reasonable schedules and work policies), the food companies, and service organizations such as consultants and search firms. In fact, several of Alice Elliot's associates are ex-operations people who wanted to use their extensive knowledge of the industry and their contacts to "stay involved" without staying on their feet for 70 or 80 hours a week. "I was attracted to this because it gave me a chance to work closely with people in operations but I would have a better quality of life for myself," says Catalina Ding, a senior account executive with Elliot Associates.

"You either get burned out in

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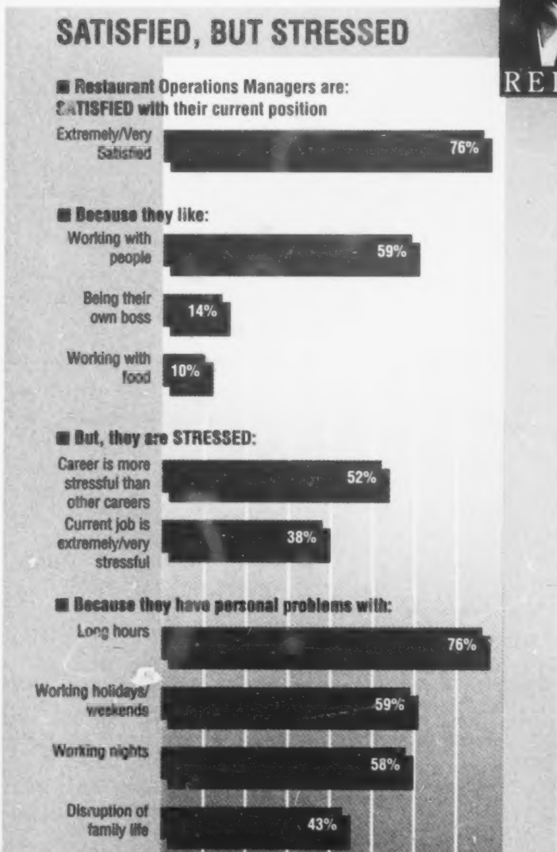
CHART BY PETER K. NICEBERG

SPECIAL REPORT



SOURCE: The Qume Group Ltd., Foodservice Job profile Study, 1990

operations or you can't make a go of it financially," concurs Billy Jacobs, who sold a struggling restaurant in the economically depressed state of Louisiana in the late '80s, eventually ending up as director of product development and executive chef for an aquaculture company in Isola, MS. "When you make your mind up to leave, doors open to you and you find a place where you can use your restaurant experience and skills in a more positive environment."

RATHER SWITCH THAN FIGHT. It is for this precise reason that so many operations people seek jobs in the contract sector. "We get many, many inquiries from people who are in restaurant operations and want to make the switch to contract foodservice because the hours are more civilized and the pace is more reasonable," says Joel Katz, director, human resources development for Philadelphia-based ARA Services, the world's largest foodservice management company. "At ARA, unit managers have autonomy and flexibility, as well as the support and resources of a large company, and they also have time to pursue their own lives." In addition, notes Katz, a management ownership program enables employees at the level of district manager and above to take an equity position in the company. "And when you have a piece of the rock," says Katz, "it's amazing how resilient you become. All those hours suddenly start getting you something. Let's face it: Working hard and not getting anything for it is a major stressor."

But if hours and schedules and stress are major deterrents to a career in foodservice, so is frustration at lack of control, feedback, and development. "I felt blocked when I was in operations, and I didn't see where else I could go," says Cheryl Wendel, who left a management position at a major chain hotel to become personnel director at the 132-room Wychmere Harbor Hotel in Harwichport, MA. "I'd transferred six times in two years with that company, and each time I got a promotion, but I felt that my real talents were being overlooked." Now, says Wendel, she gets the best of both worlds: a job in the industry and a chance to set policy and improve employee development and morale. "That direct involvement is very important to me."

At Hardee's, the concept of "empowerment" has been standardized throughout the 3,300-unit chain. "We started thinking about all the decisions that are made by managers every day and determined who else could be doing some of that," says Edna Morris, senior vice president of human resources for Hardee's Food Systems Inc., based in Rocky Mount, NC. "That frees managers up to do their jobs—manage—and it spreads decision-making down through the ranks, making all our employees feel like they are part of the process."

At Pizzeria Uno, a fast-growing chain now numbering more than 82 locations systemwide, the company goes out of its way to keep unit-level management interested in their jobs—and in a career at Uno. "The learning curve flattens significantly after just a year or two," says the company's vice president of operations, Atlantic region, Gregory Keenan, "and that's when the danger of turnover really

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starts. The first year, it's fun just to beat your predecessor's numbers; the second year, you can try to beat your own. By the third year, though, it's really just a pain in the ass."

The solution: Keep managers involved, with seminars, courses, promotions, and feedback. The company also sends its managers out to do franchise openings. "They work very hard for two weeks, but they come back rejuvenated, with a renewed commitment to the company's standards and specs," notes Keenan. These and other programs—including compensatory time off, nonequity partnership programs, competitive benefits and salaries, and an open-door policy of communications between the field and headquarters—has led to turnover of just 15% at the unit management level.

Indeed, companies like Pizzeria Uno have demonstrated that open lines of communication are virtually essential in the war against turnover and burnout. "It's so important for there to be open doors between the owners and upper management and the people out in the trenches," says LEYE's Carbone. "Management needs to vent, and one of the functions of the company's partners is to make themselves available to the managers." LEYE enjoys management turnover of just 14%; Carbone says that a key reason for this is the company's central attitude that "the partners are slaves to the managers, the managers are slaves to the employees, and the employees are slaves to the customers—it's from the bottom up."

One area that can stand some improvement in terms of reducing stress is the issue of performance pressures. "As the economy gets worse, the pressure

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THE WARNING SIGNS OF STRESS

According to Robert A. Brymer, Psy.D. and associate professor in the Department of Hospitality Administration, Florida State University, there are four components of stress: job; social/environmental factors; personal; and lifestyle. And while foodservice managers do tend to be stressed by their jobs, the hours required of them affect the three other areas—their personal relationships are compromised, there may be a drinking problem, they may not be getting enough exercise, and so on.

The key to managing stress, notes Brymer, is recognizing it and working on it before it leads to burnout. And the signs of an impending stress situation can be dead giveaways:

- Headaches or other physical symptoms;
- Exhaustion or lack of energy;
- Any behavior outside of the norm, i.e. a cheerful person suddenly becomes cranky or tempermental;
- Inability to concentrate;
- Moodiness;
- Bad attitude or negativity; loss of exuberance;
- Disorganization or inability to make decisions;
- Stops working as hard—no longer pulling his or her weight;
- Absenteeism or increased number of sick days;
- Has more accidents, on or off the job;
- Becomes upset easily or at the smallest things; and
- Drinking or drug use.

Brymer adds that one person's stress may be another person's exhilaration; the key for managers is to know where each person's breaking point is, and to act on any problems before they escalate and compromise the person's job.

THE KEYS TO SOLVING STRESS

Savvy employers are using a variety of techniques to help managers cope with the demands of a career in foodservice. Here are some suggestions.

WORK SCHEDULES. Establish an ideal work week; progressive companies such as Hardee's, Stouffer Restaurant Co., and McGuffey's are moving the industry toward the five-day, 50-hour week. In addition, standardize schedules so that people know when they'll be off.

It's also important to try to give managers at least one weekend off a month, as Hardee's does; one problem with the hospitality industry is that people are working when everyone else is having fun. Be sure to compensate for additional time worked, with compensatory time (as Pizzeria Uno does), bonuses, or other perks.

TRAINING. Managers can be prepared to deal with the inevitable crises through comprehensive training programs, such as those employed by Lettuce Entertain You Enterprises (LEYE), which include operational and management material as well as role playing. Training and retention programs for hourlies increase productivity and reduce turnover, making units run more smoothly. Other programs should be made accessible to help managers deal with the available labor force, such as the English-as-a-second language and on-site citizenship preparation programs at Loews hotels.

MOTIVATION. Keep managers interested. For example, Pizzeria Uno sends its unit managers out to do franchise openings and counsels them on other ways to keep the learning curve steep, as a result reaping a turnover rate that, at 15%, is one of the lowest in the industry.

Set financial goals, but make them achievable, so that managers are not operating under impossible demands. Managers who have a piece of the action are apt to stay involved and to take the bumps more easily. Companies that give their managers equity include ARA, LEYE, and Pizzeria Uno.

SPECIAL HELP. Employee Assistance Programs (EAPs) are one of the most cost-effective ways around to help managers cope with out-of-the-ordinary stresses such as drinking or family problems. Hardee's, Shoney's Inc., and Taco Bell are among the companies that offer this important benefit.

Stress management training has also proved effective, whether as part of the initial training process or offered on a special-seminar basis. Encouraging exercise and offering a wellness program, as Godfather's does, is also worthwhile.

SPECIAL REPORT

to cut costs and meet last year's projections is going to mount," says Pat Romero, a vice president at Elliot Associates and herself an alumna of restaurant operations. And that is just going to make things worse."

"It's like asking a carpenter to work without tools," says Bill Burnett, vice president of domestic franchising for Western Sizzlin' and a veteran of such hard-driving chains as Houston's and Bennigan's. "Because of those old profit expectations, too many managers find themselves in a position of not being able to make repairs, of not being able to replace equipment; they're saying, 'I'm committed to turning in a 28% profit increase this month, so I can't afford to get any more coffee cups.' "

And, while he is quick to point out that his former employer Houston's did not make that mistake, he offers an interesting perspective on the company: "Houston's is without a doubt the Mercedes of the industry, but it is hard, hard work. Until you work at a place that does $20,000 in volume on a Saturday night on a $12 average check, you don't know what stress is." The opportunity comes, according to Burnett, in the chance to work in a highly respected company and gain experience with a high-quality product—and not coincidentally, one of the best salaries in the industry (reportedly, over $100,000 a year for a general manager). Houston's declined to be interviewed for this article.

STABILITY. As far as Western Sizzlin' goes, the work is a lot less vigorous, notes Burnett, but the company does offer a great deal of stability and flexibility. "Most of our franchisees realize that they don't necessarily have a big pot to offer to managers, but what they can offer is a much less stressful environment. A lot of people don't want to work 90 hours a week, no matter how good the money is."

Coworker problems can be another major stressor in the lives of managers, reported by up to 62% of respondents in the *Restaurant Business* survey. "A good training program for hourlies is just as important as management training," says Brian McGowan, director of training and recruitment for Stouffer Restaurant Co. "The hourly team can truly make or break a manager's job." Stouffer's solution includes a special supervisory program wherein talented hourlies are trained to gradually take over some of management's functions, including decision-making, scheduling, and closing up. "These people are really supporting the management staff, but it's also a useful stepping stone for developing new managers," notes McGowan (see sidebar, page 148, for more information).

Carol Schauer, general manager of the Highland Grill in Downers Grove, IL, Stouffer's newest property, corroborates: "When something goes wrong, it's wonderful to be able to work with people who are ready and able to jump in and help. A good team is what really helps alleviate the stress of a management position—that and a sense of humor."

Schauer, who put in over 100 hours a week during the extended opening period for the restaurant last November, seems particularly well-adapted to the exigencies of running a restaurant, but she admits that even the more typical schedule of about 60 hours a week has a real impact on a manager's personal life. "You do have to give up a lot to be successful in this business."

In fact, fully 43% of the managers surveyed for this article reported problems with disruption of family life. Personal problems in general—relationship problems, family crises, emotional stress, substance abuse—are the big external bugaboos of industry life. "Frequently, foodservice workers have a more tenuous relationship with their families than people in other industries, and that makes their problems a little more difficult to deal with," says Deborah Sheperis, vice president of sales for Personal Performance Consultants Inc., St. Louis, which contracts with employers to set up EAPs—Employee Assistance Programs. "These people are working so hard that they don't have time to strengthen their family relationships and get sustenance from them, and that can be very damaging. In addition, many of these people are working schedules that are the

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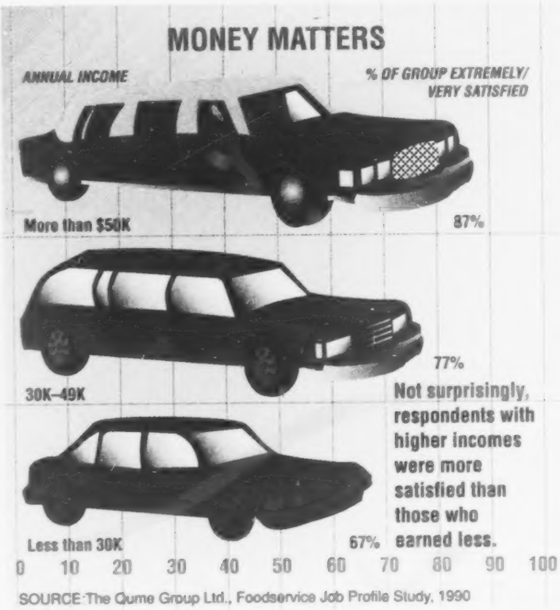
MANY MANAGERS FEEL THAT THEY ARE NOT BEING COMPENSATED FOR THE HOURS THEY WORK OR THE STRESS THEY FEEL.



SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

CHART BY PETER K. NICEBERG

exact opposite of the rest of the world's—including their families' and friends'—and that just adds to the pressure."

And, while restaurant and hotel managers seem no more likely to be divorced or separated—or to remain single—than their counterparts in the general population, many people who were interviewed for this article mentioned relationship and family problems as being part of the reason that they sought careers out of operations.

SUBSTANCE ABUSE. What is more clear is the problem of substance abuse. Although only 3.5% of respondents in the *RB* study reported problems personally experienced with alcohol abuse and 2% admitted problems with drug use, these managers had significant complaints about their coworkers when it came to drink and drugs; 32.5% reported problems with alcohol abuse among coworkers and employees, and 22.5% mentioned drug abuse. Moreover, a recent study by the Seattle-based Battelle Memorial Institute revealed that food preparation and service workers were more than twice as likely to be heavy drinkers (averaging five or more drinks a day) than the general population. As one observer commented: "There are a lot of drinking and drugs in this industry."

Many companies are beginning to respond to the problem.

Two years ago, Rocky Mount, NC-based Boddie-Noell Enterprises Inc., a major Hardee's franchise with more than 10,000 employees, launched a proprietary program called C.A.R.E. (Counseling, Assistance, and Referral for Employees) to help deal with these issues. "We realized that we were having more and more

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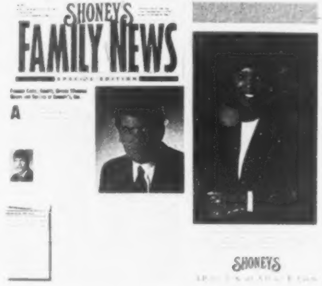
CASE STUDY: SHONEY'S INC.

The restaurant business is inherently very stressful," admits Benny Ball, senior vice president of personnel for Shoney's Inc. "It's the nature of the business to have to work on your feet and encounter unexpected problems and unplanned crises. But that doesn't mean you can't find ways to help managers cope with those stresses."

And that is exactly what Shoney's Inc. is doing, through a variety of programs ranging from five-day standard workweeks to stress-management programs and an Employee Assistance Program (EAP) network. The company found through the exit interview process that many of its departing managers were leaving to take jobs outside of the industry, instead of from a competitor, a discovery that sent up a red flag for the human resources department.

In addition, says Ball, an ongoing dialogue with present managers on their likes and dislikes of the job and industry revealed that a majority of them were experiencing stress because of their own supervisors. "We realized that it came down to the fact that different people have different needs when it comes to being managed," notes Ball.

CUSTOMIZED MANAGEMENT. As a result, the company now practices "customized management"—each person is analyzed as to his specific needs and managed accordingly, a system that is aided by coaching and situational leadership training.



The company's employee-assistance and benefits-related programs are explained in a series of newsletters.

In addition, Shoney's Inc. has implemented a five-day work week throughout its restaurant systems. (Shoney's family restaurants, with more than 700 units; Captain D's seafood, with just over 600 units; and Lee's Famous Recipe Chicken, with about 300 locations.) Managers also have the same schedule for three to four months at a time, allowing them to have greater control over their private time, and are eligible to take a week's vacation after six months, rather than 12 to 18 months as before.

An EAP network was formed three years ago (Shoney's Inc. was one of the earlier companies to take advantage of growing EAP technology), and is tied to the health-care plan. According to Ball, three free sessions are provided for by the company in the event of personal crisis, and 85% can be resolved without an additional referral (such as to a drug treatment program or psychologist).

The cost is less than $20 year per "employee unit" (family) and has proved invaluable in saving manager's jobs, says Ball. "This has had a direct, positive impact on our health-care costs and turnover, because we're catching problems before they become bigger ones." This and other benefits-related programs are promoted regularly in the company's SHARE (Shoney's Health Assistance for Restaurant Employees) newsletter.

Benny Ball, senior vice president of personnel, Shoney's Inc.

QUALITY OF LIFE. Other programs include free annual physicals for employees at the level of division director and above (cost: $140 per year, per person), including a "Quality of Life" study that helps managers find and correct weak points in their diet, exercise, lifestyle, or working habits.

A credit union linked to an 800-number provides financial planning services along with loans, the company sponsors stress-management seminars, and employees can get discounts with spas.

problems related to drug or alcohol abuse," says Nelson Barbee, field marketing manager for Boddie-Noell, "and that we would have to find a way to address this."

Although Barbee does not believe that foodservice employees are any more likely than other groups of workers to have substance-abuse problems, he does acknowledge that it is a very serious problem—so much so that the company has also instituted random testing for senior management and an "asset protection" program that trains managers to detect potential signs of substance abuse among staff members.

"These have been good programs for us, helping us build a 'cleaner,' more stable work environment," says Barbee, who adds that the clue to any assistance program is strict confidentiality. "This is an 800-number, linked to a network of local and community drug and alcohol treatment organizations, which can be used by any employee or his family. Nothing about the employee's situation can be revealed to the company."

Employee Assistance-type programs are now being used to address a variety of industry problems. "We've found an EAP program, included in the benefits package, to be a very valuable tool for us," says Marcia Owen, manager, training programs for Irvine, CA-based Taco Bell. In addition, the company just finished a year-long program to train all of its field people in stress management, and now incorporates the program into all new-management training. The EAP and the stress training have helped the company ease a rather difficult transition into a more decentralized organization.

EAPs, consisting of a network of professionals to whom employees are referred for a vari-

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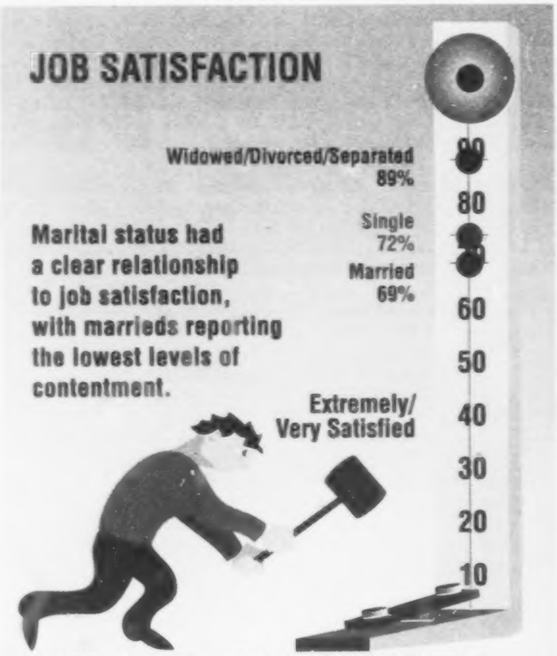


SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

CASE STUDY: GODFATHER'S

In the restaurant business, there's not too much time to rest on your laurels," says Spencer Wiggins, vice president, human resources and management information systems for Godfather's Pizza. "Just when you think you're on top of the world, a competitor comes along with something new and you're back to the drawing board. And that's what causes burnout."

According to Wiggins, however, the industry's reaction to burnout is changing. "In the past, people looked at stress and burnout as a weakness."

WELLNESS PROGRAM. Based on its success with a formalized wellness program available to employees at the company's Omaha headquarters, Godfather's hopes to roll the concept into the field by the beginning of its 1991 fiscal year, this June. The program is in response to findings at exit interviews that many people were leaving the industry altogether. "These people were saying, 'I like the company, I like the people, but I'm just drained by the stress'," notes Wiggins. "This problem is especially severe because so many of these managers are young and have no fear, and before they know it, they're burned out."

The wellness program at the headquarters level has reduced absenteeism and turnover measurably, and while its exact form for the field is still undergoing analysis, Wiggins expects it to have a similar effect.

He also notes that the corporate culture at Godfather's, which is relatively relaxed and humanistic by industry standards, seems to go a little easier on managers. Says Wiggins, who worked at Burger King before Pillsbury took the company over and who came to Godfather's along with its president, Herman Cain, in 1986, "With the bigger restaurants, it's a great recruiting tool to be able to tell some 26-year-old unit manager that he's going to be in charge of a million-and-a-half dollar business. Many young managers are just not prepared for the kind of strain they're going to be under."

Godfather's wellness program focuses on weight-loss and other preventative health measures.

CHART BY PETER K. NICEBERG

CASE STUDY:
STOUFFER RESTAURANT CO.

You can see it in their eyes when a manager is burned out," says Brian McGowan, director of training and recruitment for Stouffer Restaurant Co. "And you can also tell because they're making the wrong decisions. They're mishandling their staff, and they're mishandling guests."

At Stouffer, scheduling is Job One when it comes to helping managers manage their stress. A five-day work week is standard ("They've just got to have those two days off," notes McGowan). In addition, the company goes to great pains to see that there is adequate shift coverage. It has developed a supervisory program wherein promising hourlies are put in charge of certain decisions and responsibilities, such as closing down for the night. As a result, the program also serves as a stepping stone to management.

COLLEAGUESHIPS. There is a formal mentoring program that is promoted at the unit level, encouraging general managers to bring assistants in on projects, and everyone is urged to form colleagueships. Additionally, a continuity program reduces the problem of constant relocation: Assistant managers and other so-called department heads, including culinary department heads (chefs) stay at that level and location for at least six months; general managers stay put for two years. "It hurts an individual's progress to be transferred more often, and it also damages restaurant morale. There has to be a stable environment in order for people to grow and excel in this industry."

Finally, sophisticated training for hourlies is considered a right of everybody on the team. "Managers have to have the tools, and that includes the staff itself," insists McGowan.

Stouffer Restaurant Co.'s flagship Parker's Lighthouse in West Palm Beach, FL.

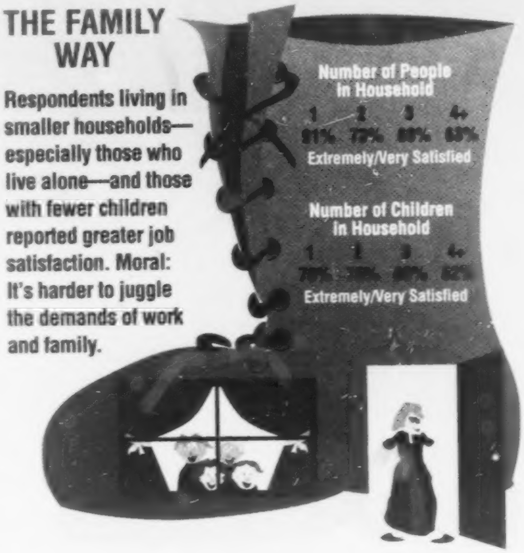
ety of problems, including marital and family problems, personal stress, and substance abuse, are undoubtedly the wave of the future for businesses of all kinds. And indeed, a number of foodservice companies now offer EAPs to management and, in some cases, hourlies, including Shoney's Inc., Hardee's, and Lettuce Entertain You Enterprises. According to Ray Stein-kerchner, president of The Omni Group in Nashville, which has developed EAPs for Shoney's Inc. and a number of other corporate clients, the relatively low cost and high payback of an EAP program—about $18 to $24 per year per employee family, with a return-on-investment as great as 12-to-1 in terms of decreased absenteeism and turnover—makes it an extraordinarily effective system for dealing with a number of problems. However, the foodservice industry has been almost embarrassingly slow to move into the EAP arena.

"Foodservice ranks right up there with health care as being one of the most stressful industries to work in," says Steinkerchner, "but it's been one of the last industries to come to the party. I think that's because the industry has traditionally focused on operations—not human resources. Margins are so lean, and the day-to-day pace of business is so grueling, that there has been a certain acceptance of high turnover within the hospitality business. And that leads employers to be very short-sighted about the options that are out there."

And yet, the signs of change are becoming increasingly apparent. "Yes, the hospitality industry has had a reputation as being a 'turn 'em and burn 'em' place to work, and that reputation has not been undeserved," says Jonathan Tisch, president and CEO of Loews Hotels, based in New York City, a company which enjoys unusually low turnover (less than 50% for all employees, hourly and salaried) thanks to its decentralized structure and open-door management philosophy. "But I think the industry is realizing that it has to get back to the basics. This is a people business, and companies have to remember to respect the people who work for them just as much as they respect the customers that eat in their restaurants. Competition for employees is not going to go away." **RB**

THE FAMILY WAY

Respondents living in smaller households—especially those who live alone—and those with fewer children reported greater job satisfaction. Moral: It's harder to juggle the demands of work and family.



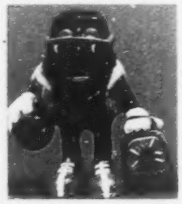
BREAKFAST

be trading down from hotel breakfasts." Krantz acknowledges that breakfast business faces an uncertain future. "We seem to take two steps back for every three steps forward," he admits.

BETTER BREAKFAST EXPERIENCE. Other breakfast operators think they're gaining from consumers who want a better experience at breakfast. Says Bob Evans Farms' Williams: "This is my subjective opinion, but I think that there are a number of consumers for whom fast food is falling out of favor. They want a better experience at breakfast, and are more likely to come to a place like Bob Evans." Williams reports, however, that Bob Evans' overall breakfast traffic is flat, although it has had gains on weekends. Many other breakfast operators report similar weekend gains, often offsetting declines during the week.

Hardee's is rolling out a line of baked-on-premise muffins. Varieties such as blueberry and raisin oat bran are aimed at health-conscious customers.

While many are cautiously optimistic about the breakfast market segment, they voice fears about the effect the war may have on the U.S. economy and, in particular, on the price of gasoline. Restaurant operators are nervous that another uptick in gasoline prices could keep consumers at home, forcing them to curtail food-away-from-home purchases. A sense of uncertainty pervades the industry right now, as it does much of American business. "I'm not making any annual predictions right now," says Herman Goldberg, president and CEO of Elmer's Pancake and Steak House, a Portland, OR-based operator of 28 restaurants. "The war could have a big effect, and anything could happen. I'm worrying one day at a time."



Hardee's is again using the California Raisins as a promotional tool.

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Other concerns are pressing breakfast restaurants. Chief among them: the bad reputation [illegible] break[illegible] for being [illegible]ed with foods that are high in fat and cholesterol. Many operators are planning to add—or have recently added—egg substitutes or egg white-only dishes. More chain breakfast operators, as well as market-niche independents, are certainly beginning to offer such options to consumers. Even fast-food chains are jumping on the health kick bandwagon, with Hardee's—which depends on breakfast sales for 30% of its overall business—now about to roll out a line of baked-on-premise breakfast muffins, including raisin oat bran and blueberry. Their introduction will be accompanied by the reappearance of the California Raisins as a promotional tool.

But the entire "health" question at breakfast is troublesome. "Everyone talks about wanting a healthy breakfast, but they still want a heavy-duty breakfast because it tastes good," says Michael Farrell, vice president of Chicago's Egg Harbor Cafe, a three-unit, breakfast-only chain with 1990 revenues of $2.5 million. Other operators agree that what consumers say they want in a healthy breakfast and what they ultimately ask for when it comes time to order breakfast are often very different things. "Our focus groups show us that the consumer attitude seems to be: 'Healthy food is a great idea for somebody else, but not for me'," says Tom McNulty, senior vice president of marketing for Denver-based Village Inn, a subsidiary of VICORP. "We're adding menu items in response to perceived health-related consumer concerns, but they clearly aren't the kind of things that will drive customer counts by 20%," he continues. "But they will give us a chance to go after more people." Most other operators also report they are trying to offer new products to appeal to a more health-conscious breakfast consumer.

Another major area of concern for breakfast operators—as it is for much of the restaurant industry right now—is pricing. The value-menu strategy pioneered by Irvine, CA-based Taco Bell has spread to many

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MARKET SEGMENT REPORT

BREAKFAST

Driven by gains in fast food, breakfast seems to be bouncing back.

other chains, and breakfast pricing has become a concern for many operators. "We realize that our franchisees have to do a better job in pricing for value," says Jon Ostrov, vice president of marketing for Minneapolis-based Country Hospitality Corp., a division of Carlson Hospitality Group Inc. that owns Country Kitchen. "Value is the key word right now, and we're helping our franchisees to focus more on the idea."

Many fast-food chains are waiting for the other shoe to drop as they prepare to deal with 2,000-unit Taco Bell's introduction of breakfast. Promised by president and CEO John E. Martin to be fast, portable, and value-priced, Taco Bell's breakfast may quickly become a major threat to many fast-food chains that compete strongly in the morning.

Says one fast-food marketing exec: "With the economy, the war, and everyting else that's going on right now, the last thing I'm looking forward to is Taco Bell's rollout of breakfast. It could really hurt us." Already, partially in anticipation of the approaching Taco Bell morning offerings, McDonald's franchised restaurants in Southern California are offering a "breakfast burrito" for 69¢.

Hardee's has already instituted a "family value" menu, offering a limited number of breakfast products at reduced prices. Says John Merritt, Hardee's senior vice president of public relations: "Certainly, the threat of Taco Bell's breakfast is a concern. We're trying to respond to the value-menu approach without giving the whole store away."

Martin of Taco Bell was circumspect in a recent interview in describing that chain's plans for breakfast, but he was willing to say that he felt it was critical to maintain Taco Bell's strong identity in a breakfast program. "That means we will want to quickly provide quality products at a value price point. We're sure that a 10-item menu is too many and a three-item menu is too few, so we'll probably end up somewhere in between there. The speed of service is critical, so keeping the menu trimmed is very important," he says.

Observers from other chains expect Taco Bell to roll out a five- or six-item breakfast menu with offerings in the 59¢-to-89¢ range. It is expected that it will appear in the summer, when test marketing is completed. Martin would not say when the addition is planned or what it would look like specifically.

The overriding concern for breakfast operators is clearly the increased competition for the consumer's morning dollar. "When we opened our first restaurant in 1984, breakfast was the fastest-growing segment in the industry," recalls Scott Diamond, one of the owners of Dozens, a two-unit, Denver-based chain of breakfast-only restaurants. "Now, it seems that every restaurant is open for breakfast. It is a much tougher market than ever before."

Other operators agree that the morning share-of-stomach battle has heated up. And now, faced with a recession and the uncertainties of war, breakfast operators are turning to proven strategies to build business in a more competitive marketplace. Among them: price reductions, menu additions, marketing ploys, and service improvements to enhance the consumer's price/value perception. Says one operations executive: "The last time the restaurant industry faced this kind of economic environment, there wasn't the competition for breakfast business that we see now. I don't know how all these

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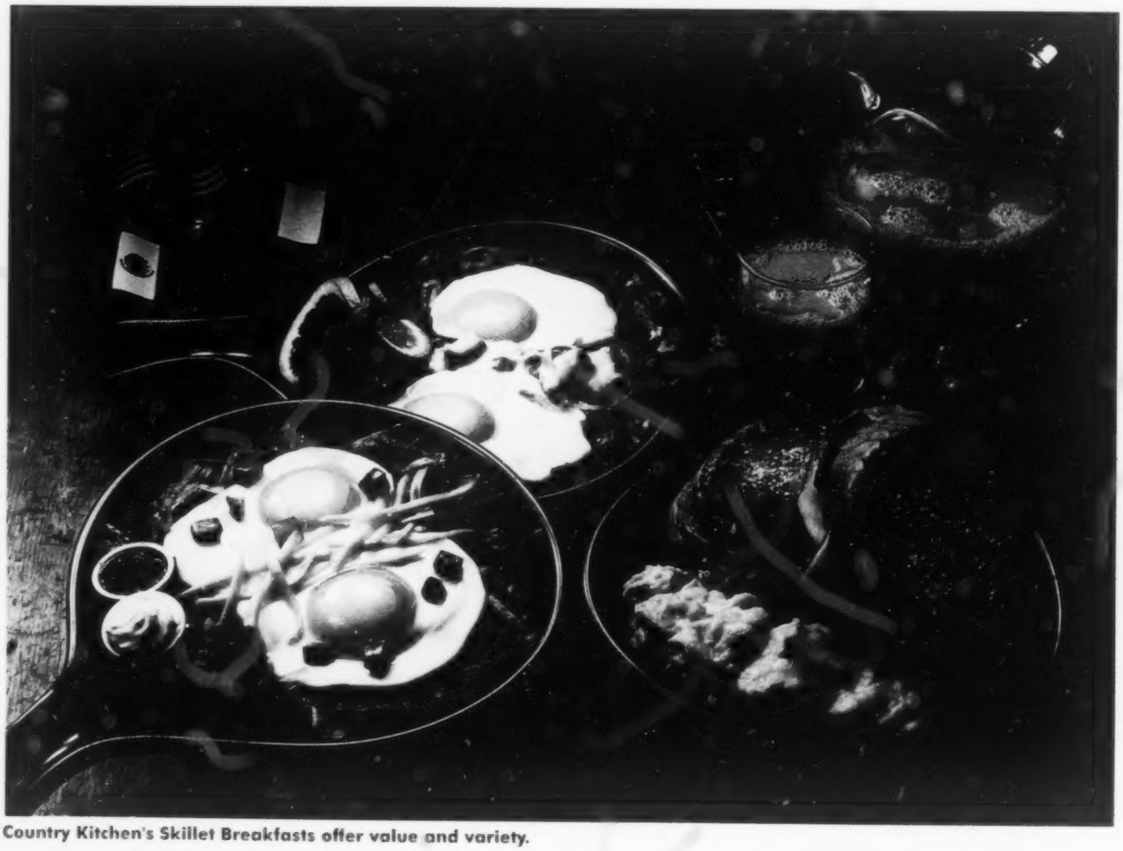
Bob Evans
GENERAL STORE
RESTAURANT

Bob Evans Farms wants to build its weekday breakfast traffic.

MARKET SEGMENT REPORT

BREAKFAST



Country Kitchen's Skillet Breakfasts offer value and variety.

restaurants will hang on to their customers if times get really tough. I think you'll see some stop serving breakfast altogether, at least on weekdays."

In response to these fears, and to changing consumer needs, breakfast restaurants are offering a range of new products. While the new-product front is not as active as it has been in years past, there is a great deal of activity.

This year, egg substitutes and reformulated egg products have created quite a stir. Operators are trying to provide breakfast offerings that have reduced levels of fat and cholesterol but still maintain taste levels.

"That's quite a challenge," admits Ostrov of Country Kitchen.

Country Kitchen, with 245 franchised restaurants, has done extensive testing of egg substitutes and reformulated egg products. "We've looked at a number of products and settled on the one that we think offers the most realistic egg taste in addition to answering the health concerns," says Mark Thomas, director of product standards and development for the chain. The egg substitute will be added to the menu as part of a breakfast platter with fresh fruit and a muffin or in a garden vegetable omelet. Each will sell for approximately $4.25. Country Kitchen also tested a variety of new pancake products in the last year, but only one—blueberry—will make it as a permanent menu offering.

Other chains and independents are working on egg substitute products. Village Inn is now testing egg substitute products in two markets, the Quad Cities and Tucson.

"We're putting the egg substitute into a variety of omelets," reports marketing vice president McNulty. Village Inn has also worked closely with a major national breakfast foods manufacturer to develop a pancake that, according to McNulty, is "98% choles-

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MARKET SEGMENT REPORT

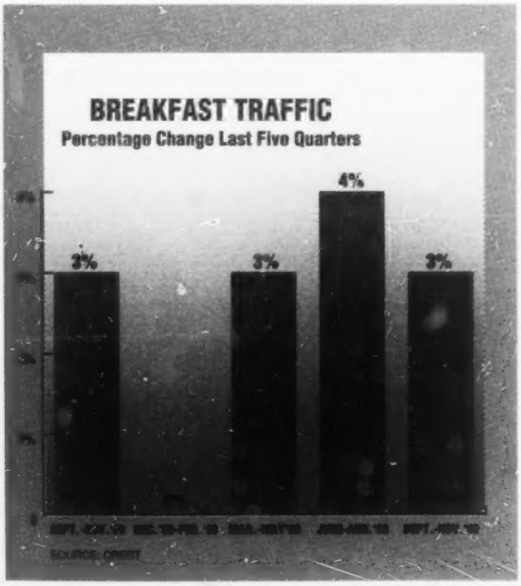
BREAKFAST

terol-free. We're testing that now as well and we expect it to roll out systemwide later this year." Breakfast is critical for Village Inn, with 60% of its overall business coming from breakfast products. McNulty says that the chain is experiencing a slight increase in breakfast traffic at its restaurants, which report $1.2 million average annual sales. "We're not getting beat up as badly because we have strong customer loyalty," he says.

Sytje's Pannekoeken Huis Family Restaurants, a 12-unit Minneapolis-based chain, has also begun offering a new egg substitute product on its menu. "We added it because our customers were asking for it, and we're seeing a very good response to it," says Todd Novaczyk, president of the $13 million company.

Instead of going to whole-egg alternatives, some chains and independents are offering egg white-only dishes to consumers in response to health concerns. "We offer any of our dishes made with egg whites only for $1 more," reports Tom Runkle, a partner in the three-unit West Egg Cafe in Chicago. Although business is off significantly for his chain, Runkle says menu items that are perceived as healthy are growing in leaps and bounds. "We've added a new oatmeal product at $2.95, a bran muffin, and we've introduced cholesterol-free cheeses for omelets and other products. They are all popular."

Traffic has increased from year-earlier periods.



Coco's inaugurated a new menu last summer that features a number of new breakfast products. Among them: multi-grain pancakes ($3.75); fresh vegetable omelet ($5.95); a yogurt, fruit and muffin combo plate ($3.95); and a pecan waffle combo ($5.45). In addition, Coco's began to identify the manufacturer of certain products, including some cereals, yogurt, and its egg substitute product, on the menu to attract consumers.

"Some of our new menu items were successful, and some weren't," was all Coco's president Barry Krantz would say about the new menu. "We do expect to add more new breakfast products to see how they fly," he adds.

Eight hundred-unit Shoney's recently responded to consumer surveys it conducted by revamping its breakfast bar. While still offering the traditional eggs, bacon, ham, and pancakes, the breakfast bar now includes cereals, low-fat milk, more fresh fruit, muffins, and "light" maple syrup for pancakes.

At International House of Pancakes (IHOP), the incredibly successful introduction of the "harvest grain and nut" pancake line—now responsible for 20% of the chain's pancake sales—will be followed by the chainwide introduction of harvest grain and nut waffles. "We've just completed the test of these products, and we're getting ready to move them chainwide," says Pettise of IHOP. But the new waffles have presented operational challenges.

Elmer's Pancake and Steak House of Portland, OR, a $37 million chain operating in six Western states, added two new products recently: pecan pancakes for $5.25 and corned beef hash for $4.50. Denny's is presently considering new breakfast offerings throughout its 1,300 unit chain, but marketing vice president Susan Henderson won't say exactly what is in the works. "We're not exclusively focusing on consumer health concerns, but that is something we'll continue to look at." Henderson points out that Denny's has offered an egg substitute "for years" on its menu

Says Mo Iqbal, vice president of marketing for Jack In The Box of San Diego: "Consumers can choose to have our pancakes without bacon and served that way it is a low-fat meal. This whole health question is very complex, particularly for the breakfast diner. We're seeing a very gradual shift in consumer attitudes concerning health, but we question whether the shift is large enough to make money on it. When we test new products, taste is frankly our first concern, and health is of secondary importance."

Jack In The Box, with 1,040 units in 11 Western states, has had considerable success with its scrambled egg pita sandwich, which generally sells for $1.69 and was introduced a year ago.

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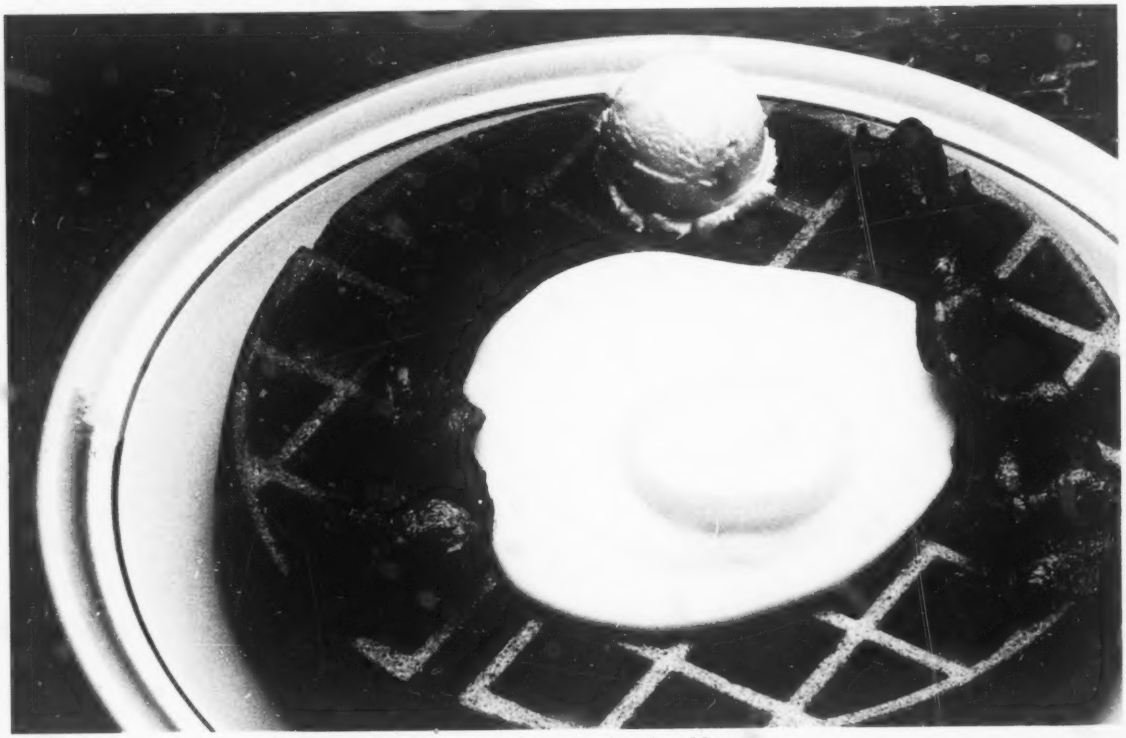
BREAKFAST



IHOP has found that its popular new waffles are presenting operational problems.

Iqbal says that portability will remain of primary importance in new- product development for Jack In The Box, where breakfast products reportedly account for 15% of overall sales.

Golden Corral, a 460-unit steak chain located in Raleigh, NC, is set to expand a one-unit test of weekend breakfast to several more units. Golden Corral's morning entry features an all-you-can-eat breakfast bar for $4.19. The breakfast bar offers standard morning fare, including eggs, pancakes, bacon, sausage, ham and cinnamon rolls. "There are some markets we operate in where this idea will really work," says Golden Corral president and CEO Ted Fowler. "The test was received well and now we're ready to do it in a few more units. We'll continue to study and observe its performance." There are no plans at this time for a systemwide rollout of the breakfast bar.

According to chain and independent restaurant operators who serve breakfast, their major concern right now is pricing. As Merritt of Hardee's acknowledges, "Consumers are definitely saying that they are very concerned about the price they pay for food. We're trying to respond to that."

Of course, breakfast has not been immune to value pricing, and the entire question of value and price is permeating the whole industry, not just the fast-food giants.

"Clearly, value is the big issue," says Ostrov of Country Kitchen. "Traditionally, we've taken a hands-off approach to pricing with our franchisees, but right now we're concerned that some of our franchisees may not be doing the best job they could on pricing. We're running seminars on pricing for profit, and we plan to offer workshops on pricing at our annual franchisee convention. Our goal is to help the franchisees in the balance of pricing, and this might involve some reductions throughout our operations." Ostrov says, though, that wholesale price reductions shouldn't be expected. "We're looking at other ways of increasing value—by enhancing garnishes, increasing portions, those sorts of things. Value isn't necessarily just lower prices."

That thought is echoed by many operators who want to avoid cutting prices if they can. "We're not ready to start jumping on our spear unless we absolutely have to," says McNulty of

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MARKET SEGMENT REPORT

BREAKFAST

Village Inn, which has an average check of $4.60. Village Inn is currently seeing small traffic increases, so McNulty doesn't anticipate price reductions anytime soon.

The battle for breakfast dollars is being fought at lower price points.

Bakers Square, a 175-unit chain which is also owned by VICORP is likewise trying to avoid price cuts. "We're aware that we need to build additional value, but you can be sure we won't do it with across-the-board price reductions," says marketing executive vice president Thomas D. Wirt. "That's a short-term fix." Like other operators who are less than anxious to cut their prices—and profit margins—Wirt points out that the perception of value is made up of more than just price. "It's a combination of many factors: ambience, food quality, and service. You can't just focus on price alone. It's a balancing act." Sidney Feltenstein, senior vice president/marketing of Randolph, MA-based Dunkin' Donuts, agrees: "We're experimenting with some pricing strategies, but it isn't just price we're focused on when we talk about value. Right now, we're looking at some combinations that will offer the appearance of lower menu prices."

Other restaurateurs are firmly opposed to getting into the "value" game. Says Jack In The Box's Iqbal: "We're not lowering prices." Adds Goldberg of Elmer's: "You can't give the food away and make money. We're not going to get into it."

Other, smaller breakfast restaurants don't seem to worry too much about the pricing question. "We increased prices about six months ago, and we'll do it again if we have to," says William C. Smith Jr., vice president of the seven-unit Omelette Parlor chain, a division of Santa Monica, CA-based Great American Fare Inc. "Our place is different. We've got a regular clientele who really loves our restaurant. We don't raise prices unless we have to, and we offer a quality product to regular customers." Chainwide, Omelette Parlor's traffic is currently running 3% ahead of year-ago totals. The restaurants, which seat an average of 130 people, are open from 6 a.m. to 2 p.m., and post average annual sales of $700,000.

Farrell of Chicago's Egg Harbor Cafe chain agrees. "There are plenty of breakfast places around that will give you the world for $1.49," he says. "But not us. We provide an upscale environment with music, great ambience, and quality food. Naturally, you pay a little bit more for that, so our universe is more limited. But our customers keep coming back." Farrell reports that traffic is up from year-ago totals at all three locations. The chain expects 1991 sales of $2.5 million.

In a worrisome economic environment where pricing is a major concern, marketing takes on more importance. Television and radio have been used extensively by the major national chains to promote their new value menus. Smaller chains and independents need to be more creative in their marketing strategies. At the Omelette Parlor, frequent guests are given a punch card. After five visits, they are offered a 15% discount on their next meal. And the chain has inaugurated a "Breakfast Happy Hour," during which breakfast patrons arriving between 6 a.m. and 7 a.m. can buy half-price omelets. To build weekday business, Omelette Parlor offers weekend customers a $1-off coupon for a return trip the following week.

Building weekday business is difficult, but it is what we would most like to do," says Williams of Bob Evans Farms. "We have lines out the door on weekends but that isn't the case on weekdays. The problem is that there is not really an effective way to reach the weekday breakfast consumer. Using TV for breakfast is tough—there is a high waste factor." Bob Evans Farms has tried— so far successfully—to avoid discounting as a traffic-builder.

Denny's major breakfast marketing tool has continued to be its 10-minute guarantee. "If you order certain menu items and you don't get them within 10 minutes, your meal is free," says Henderson of Denny's.

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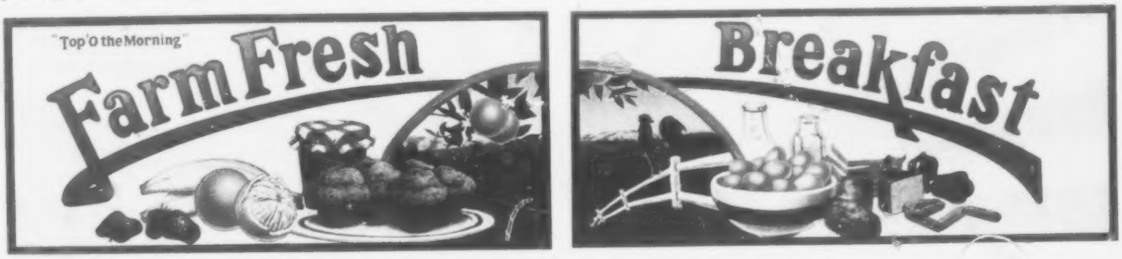

Country Kitchen presents a country image in its breakfast menu.

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We go to a lot of trouble to assure that Idaho French fries are the world's finest. With no trouble at all, you can preserve that quality all the way to your patrons' plates:

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- Cook in small batches. An overloaded basket makes fries soggy and greasy, from excess oil absorption (which costs you more, too).
- Handle the cases of fries carefully—a fall of just three feet will break more than one-third of the fries!
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MARKET SEGMENT REPORT

BREAKFAST

The morning meal has to be served fast.

"We're focusing on service at breakfast," reports Henderson. "Our marketing is targeted to people who want a freshly prepared full-service breakfast in a short amount of time. We will periodically reinforce the 10-minute breakfast guarantee with advertising.

Hardee's is about to begin what Merritt refers to as "not a mega-campaign, but a sizeable one," featuring the reappearance of the California Raisins, which have proven incredibly successful twice before for Hardee's.

Elmer's CEO Herman Goldberg claims that "People don't want all you can eat for $6, and they don't want 10-minute guarantees. That's very bad for you to eat that way. Every company has an image, and 10-minute food is not the answer for us." Instead, Elmer's put $180,000 of its marketing budget into making an anti-drug video called "Dead End," which explains to parents how to tell if an adolescent is using drugs. The video garnered national and local media attention, and, according to Goldberg, "It is driving customer counts, which are up 15% from a year ago. We needed a totally different approach to marketing, and we decided to build our image based on community service. Obviously, it is working."

The upscale end of the breakfast business is quite different than the family or quick-service segment. Operators like Denver's Scott Diamond, one of the partners in the breakfast-only chain Dozens, report a very different experience than many chain concepts. "We have a niche that's very good to us. We keep the quality and freshness factors way up there, we don't cut corners. We have a sophisticated consumer who is health-conscious and active, and we offer food that appeals to that person."

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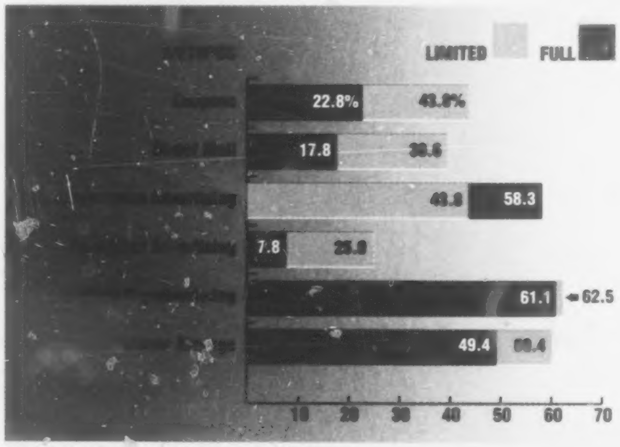
PROMOTION OF BREAKFAST/ BRUNCH

Breakfast promotion: 64.9% of limited-menu respondents and 66.9% of full-menu respondents promote breakfast/ brunch.



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MARKET SEGMENT REPORT

BREAKFAST

Village Inn
VILLAGE INN
Village Inn

The Village Inn chain is testing low-cholesterol products on its breakfast menu.

Check averages are $5, and Diamond thinks he could raise prices if need be. His major concern at breakfast is service. "It is the hardest time of the day to please people," he says.

Sytje's is also a niche player, which gives the small regional chain far more flexibility. "We offer a proprietary product," president Novaczyk says. "That is a tremendous advantage. But we're being inundated by competition."

Farrell of Egg Harbor Cafes agrees: "It is getting more competitive, but this end of the breakfast market is the place to be. People are willing to pay for the quality we offer."

At the very high end of the breakfast market, Four Seasons hotels has been quite innovative. Many properties now offer a Japanese breakfast. According to Daniel R. Mann, director of food and beverage for the Philadelphia property, the restaurants serve about 10 Japanese breakfasts a day. It includes grilled salmon, broth, a coddled egg, pickled vegetables, steamed rice, and miso soup. "It is an offering we need to provide at breakfast, regardless of the number we sell each day," says Mann. Other Four Seasons hotels have increased their breakfast offerings and added more health-conscious items.

Tom Kaplan, who, along with partner Rich Brenner opened the successful Caffe Latte in Beverly Hills, CA, a year ago added a second property in West Hollywood called Highland Grounds. "I think our coffees are largely responsible for our success," says Kaplan. The restaurant roasts its own beans and takes it coffee very seriously. But coffee isn't the only draw: an eclectic and unique menu interests the hip, health-conscious customer of Caffe Latte.

Caffe Latte, seating only 45 to 50, racked up sales of $1 millon last year. Now, Kaplan is adding even more health-conscious items. Among them: eggplant Benedict ($6.75), multigrain pancakes ($6.25), and vegetable scrambles with fresh vegetables, potatoes, and tofu, served for $7.50.

The success of Caffe Latte inspired the opening of Highland Grounds a few miles away. Primarily an evening destination, this coffee house has 75 seats and offers a continental breakfast. Currently, Kaplan is considering the addition of a small kitchen so that the breakfast menu can be expanded. "We have a beautiful little patio out back that would make the perfect Southern California brunch spot," he says. "So we're thinking about expanding the cooking area."

Clearly, breakfast is in a time of transition. There are numerous potential problems facing this daypart, not the least of which is the possibility that the number of customers has topped out, which will make this market segment a brutal battleground for market share.

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MARKET SEGMENT REPORT

BREAKFAST

RB RECIPE FILE

It's no secret that product differentiation will be key in protecting and gaining market share in this crowded segment. What's hot in menu items right now? Try healthy, hand-held, and ethnic. Mini pop-in-the-mouth yogurt bran bites score in the healthy and hand-held categories, while taco frittatas and "eggritos" entertain with ethnic appeal. Here are some recipe ideas that should help:

YOGURT BRAN BITES

2 cups plain yogurt
12 oz. brown sugar
8 oz. (8 whites) egg whites
1/4 cup + 2 tbsp. vegetable oil
1 tbsp. + 1 tsp. vanilla
2 cups bran flakes with raisins
8 oz. whole wheat flour
8 oz. all-purpose. flour
2 tbps. + 2 tsp. baking powder
1 tbsp. cinnamon
1/2 tsp. salt
10 oz. Granny Smith apples, peeled, cored, chopped
1 cup raisins

1 Mix yogurt, sugar, egg whites, vegetable oil, and vanilla on low speed for 2 min. Set aside.

2 Combine dry ingredients and add apples and raisins. Mix just until blended.

3 Add yogurt mixture to oat bran mixture; mix on low speed just until dry ingredients are moistened.

4 Portion batter with a #30 scoop into greased mini-muffin pans.

5 Bake at 400° F. for 20-25 min. in a conventional oven. Cool on rack and remove from pan.

Variation: Portion 2 #16 scoops in greased mini-bundt pans.
Bake at 400° F. for 25-30 min. in a conventional oven.
(Yield: 24 servings, 48 mini-muffins)

COTTAGE CHEESE PANCAKES

6 eggs
1 cup low-fat cottage cheese
1/2 cup all-purpose flour
2 tbsp. cooking oil
3/4 tsp. baking powder
1/2 tsp. salt
1/2 tsp. vanilla

1 Place all ingredients in blender container or large mixing bowl. Cover and blend on high speed 1 min. or beat with electric mixer or rotary beater until well blended.

2 For each pancake, pour 1/4 cup batter onto hot, lightly greased skillet or griddle (400° F.). Cook on both sides until golden brown. Fill and fold or top as desired.
(Yield: 12 4-in. diameter pancakes)

EGGS FLEMISH STYLE

4 frozen patty shells
4 oz. sliced fresh mushrooms
1/2 cup sliced celery
2 oz. frozen tiny cooked shrimp
1 tbsp. butter
4 hard-cooked eggs, chopped
1 oz. shredded Swiss cheese
2 tsp. lemon juice
1/2 tsp. dill weed
1/3 cup milk
2 tsp. Dijon-style mustard

1 Prepare frozen patty shells according to package directions. Set aside.

2 Sauté mushrooms, celery and shrimp in butter until celery is crisp-tender, about 3 min.

3 Stir in eggs, cheese, lemon juice, and dill weed. Combine milk and mustard and pour over mixture. Continue to cook, tossing gently with a spoon, until heated through and cheese is melted, about 3 to 4 min.

4 Spoon 1/2 cup of the mixture into each reserved patty shell.
(Yield: 2 servings)

BAKED EGGS IN PEPPER POTS

4 large green peppers
8 eggs
salt and pepper to taste
1/4 cup catsup or bottled taco or chili sauce
1 oz. shredded cheddar or Monterey Jack cheese

1 Cut tops off peppers and remove seeds. Parboil*, if desired. Stand peppers upright in muffin-pan cups or custard cups

2 Break and slip 2 eggs into each pepper. Top each with 1 tbsp. of the catsup and 1 tbsp. of the cheese.

3 Bake in preheated 350° F. oven until whites are set and yolks are soft and creamy, about 30 min.

*Parboiled peppers will be less crisp than raw peppers after baking. To parboil, drop seeded peppers into boiling water for 30 seconds. Drain well and cool before using.
Yield: 4 servings

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MARKET SEGMENT REPORT

BREAKFAST

SCOTCH EGGS

1 lb. bulk pork or turkey sausage
1/2 cup fine dry bread crumbs or corn meal
8 plain or pickled hard-cooked eggs
1 egg, beaten

1 Divide sausage into 8 2-oz. portions. On lightly crumb-sprinkled surface, pat out each portion to about 1/8-in. thickness. Wrap each completely around a hard-cooked egg, pressing edges together to seal.

2 Roll sausage-coated eggs in remaining crumbs, and dip in beaten egg.

3 Deep-fry at 375° F. until sausage is crisp and browned, about 4 to 5 min. Drain and serve. Or, place on baking sheet and bake in preheated 375° F. oven until lightly browned, about 20 min.
(Yield: 8 snack or 4 main-dish servings)

TACO FRITTATA

1 tbsp. butter
4 eggs
2 tbsp. chopped green chiles
2 tbsp. water
1/2 tsp. Worcestershire sauce
1/4 tsp. hot pepper sauce
1/4 tsp. ground cumin
1/3 cup chunky taco sauce

1 Melt butter in a 6- to 8-in. omelet pan or skillet with ovenproof handle. Beat together remaining ingredients except taco sauce until blended. Pour into pan.

2 Cover and cook over low to medium heat until eggs are almost set, about 6 to 8 min. Pour taco sauce over top. Remove from heat. Cover and let stand 5 min.
(Yield: 2 servings)

BRUNCHTIME APPLE BRANCAKES

6 eggs
1 cup milk
3 tbsp. cooking oil
1 cup shredded wheat bran cereal
1 cup whole wheat flour
2 tsp. baking powder
1/2 tsp. ground cinnamon
1/4 tsp. salt
2 cups finely chopped cored cooking apples (about 2 medium)
1/4 cup chopped pecans
Dairy sour cream, optional
Pecan halves, optional

1 Beat together eggs, milk and oil. Stir in cereal and let stand until moistened, about 2 min.

2 Stir together flour, baking powder, cinnamon and salt. Add to egg mixture and stir just until dry ingredients are moistened. Gently fold in apples and chopped pecans.

3 For each pancake, pour 1/4 cup batter onto hot, lightly greased skillet or griddle (400° F). Cook on both sides until golden brown. Serve immediately, garnished with sour cream and pecan halves.
(Yield: 16 4-in. pancakes)

CHEF'S TORTE

3 10-in. x 15-in. puff pastry sheets
Eggwash, as needed
12 large eggs, beaten
30 oz. frozen chopped spinach, thawed, drained, and pressed
1/2 tsp. dried thyme or oregano
1/2 tsp. garlic salt
12, 1-oz. slices Swiss cheese
12, 1-oz. slices cooked ham
8 oz. sauteed sliced mushrooms

1 Prepare crust with pastry sheets: Using bottom of 10-in. springform pan, cut out 2 circles. With third sheet, cut long strips to line the side of the pan with a 1-in. overhang.

2 Lightly oil the inside of the springform pan. Place one circle in the bottom. Brush edges of side pieces with eggwash and line sides of pan, overlapping if necessary.

3 Using 10-in. omelet or sauté pan, prepare 4, 3-egg omelets, keeping them in full 10-in. circles.

4 Combine spinach, thyme, and garlic salt.

5 Lay one omelet in bottom of the torte pan. Top with 4 slices of cheese, then 4 slices of ham. Spread with 1/3 spinach mixture, then top with 1/3 mushrooms. Repeat the layers twice; finishing with the last omelet.

6 Brush edge of second pastry circle with eggwash. Place on top of last omelet and crimp edges together with side pastry pieces to seal. Bake in preheated 350° F. conventional oven 35-40 min. or until golden brown. Let cool slightly and remove springform. Cut into 8 portions.
(Yield: 8 servings)

EGGRITOS

32 eggs
4 cup cut corn, cooked
2 cup milk
2 cup bell pepper, chopped
1/4 cup instant minced onion
1/4 cup prepared mustard
1 1/2 tsp. garlic powder
1 tsp. hot pepper sauce
1 tsp. salt, if desired
24, 8-in. flour tortillas, warmed

1 Blend together first nine ingredients.
2 Scramble egg mixture in a lightly-oiled sauté pan over low heat until thoroughly cooked.
3 Portion 1/2 cup egg mixture into each tortilla; roll up.
(Yield: 24 servings.)

C/2[illegible]-5

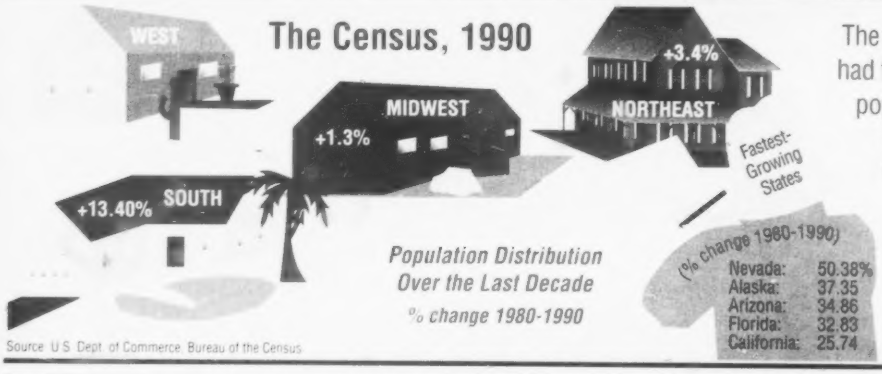
RB
RESTAURANT BUSINESS

SPECIAL REPORT

THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

The Census, 1990


WEST
MIDWEST
+1.3%
+3.4%
NORTHEAST
+13.40%
SOUTH
Fastest-Growing States
(% change 1980-1990)
Nevada: 50.38%
Alaska: 37.35
Arizona: 34.86
Florida: 32.83
California: 25.74

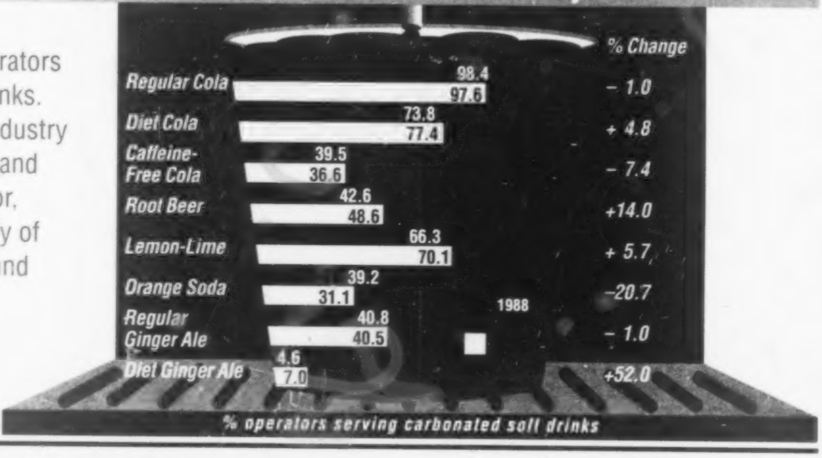
Population Distribution Over the Last Decade
% change 1980-1990

The Northeast and Midwest had the smallest percentage population gains since the 1980 Census, while the West and South posted the biggest population percentage increases.

Source: U.S. Dept. of Commerce, Bureau of the Census

Soft Drinks: The Survey

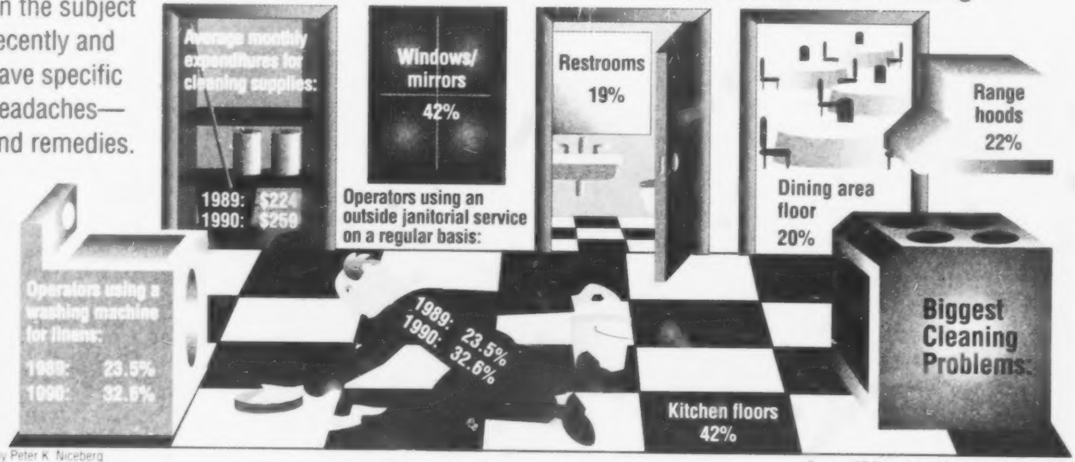
Almost all restaurant operators serve carbonated soft drinks. Regular cola is still the industry mainstay, but diet drinks and root beer are gaining favor, according to an *RB* survey of restaurant operators around the country.



Source: *RB* Cold Beverage Survey, 1990

Cleanliness: What Operators Are Doing

Restaurant operators know patrons consider cleanliness as important as food quality and service. They were polled on the subject recently and have specific headaches—and remedies.


Average monthly expenditures for cleaning supplies:
1989: $224
1990: $250
Windows/ mirrors
42%
Operators using an outside janitorial service on a regular basis:
1989: 23.5%
1990: 32.6%
Restrooms
19%
Range hoods
22%
Dining area floor
20%
Operators using a washing machine for linens:
1989: 23.5%
1990: 32.6%
Kitchen floors
42%
Biggest Cleaning Problems:

Charts by Peter K. Niceberg

Source: *RB* Cleaning and Sanitation Survey, 1990

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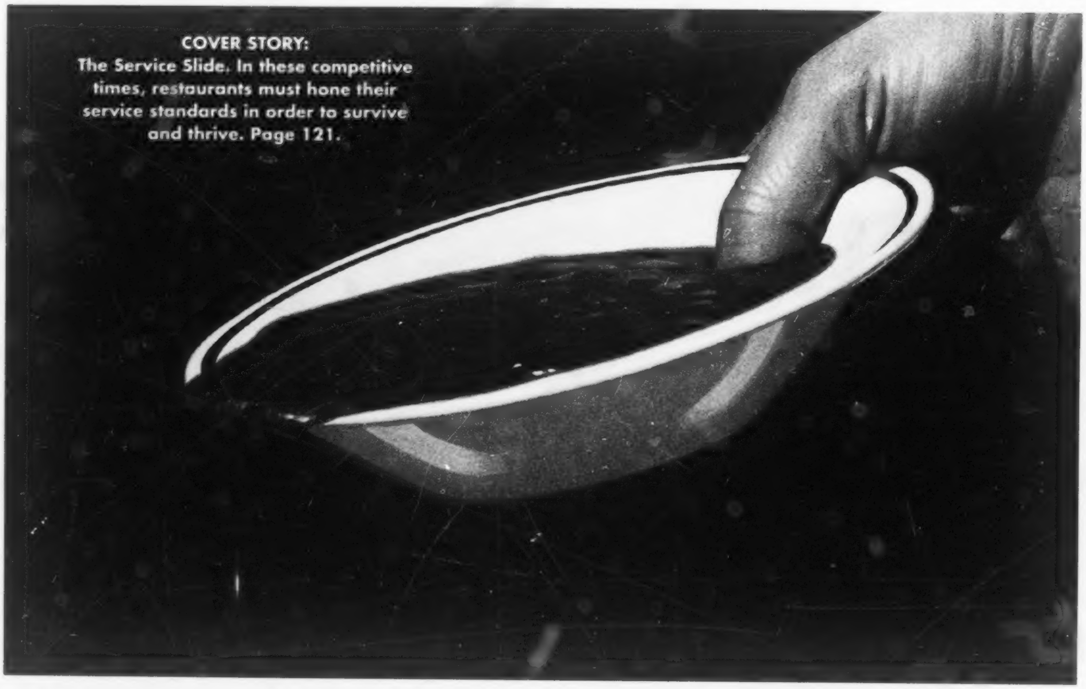
MARCH 20, 1991 VOL. 90, NO. 5



COVER STORY:
The Service Slide. In these competitive times, restaurants must hone their service standards in order to survive and thrive. Page 121.

COVER STORY

INDUSTRY ISSUE **THE SERVICE SLIDE.** In the '80s the focus was on food, but in the more competitive '90s, pragmatic restaurateurs are concentrating on service. 121

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26TH ANNUAL **FRANCHISING REPORT.** Once again, *RB* offers the most current information on franchising in America. As in past years, we cover the top 11 major market segments—hamburger, chicken, seafood, pancake, pizza, Mexican, steak, sandwich, ice cream/yogurt, donut, and c-store—as well as a report on the state of franchise relations and the Top 50 franchise systems. 69

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Cover illustration by Marvin Mattelson.

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INDUSTRY REPORTS AVAILABLE

Reprints of the **1990 RESTAURANT GROWTH INDEX** and **1991 MAJOR FORCES IN FRANCHISING** are available for $7 per copy. Direct inquiries to Editorial Director Peter Berlinski, *Restaurant Business*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

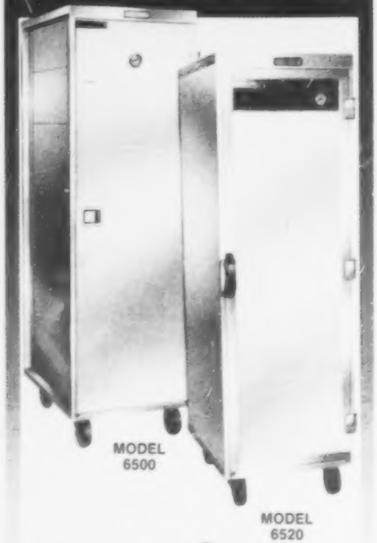
COVER STORY THE GREENING OF FOODSERVICE. It has become clear that proactive good citizenship will be a point of marketing and competition. Operators are trying to sort through the piles of information, misinformation, and concerns, which include: disposable packaging; source reduction, organic and manufactured; biodegradability; and the balancing act between recycling, landfills and waste-to-energy options.

MARKET SEGMENT REPORT MEXICAN. The Mexican segment remains among the most active, despite some slowdown in franchise development. With the segment's Southwestern stronghold fairly saturated, several companies are focusing growth plans on the Midwest, Southeast, and, to a lesser extent, the economically troubled Northeast.

SPECIAL REPORT EURO DISNEYLAND. Outside Paris on 5,000 acres—about one-fifth the size of that city—lies the future: Euro Disneyland. Opening in April 1992, this theme park will have six hotel properties to start, with 11 million annual guests projected.

TEST KITCHEN:
Beef, p. 153.

HOLDING
PROOFING



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- **Model 6520** - Proofing/holding with controlled temperature and humidity.
- **Model 6535** - Dry heat convection proofing cabinet with heat control selection and fail/safe thermostat.

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RESTAURANT FRANCHISING 1990-1991
SALES ($000)

	1990			1991*		
MAJOR ACTIVITY	Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
Chicken	$5,611,607	$2,033,873	$3,577,733	$5,948,303	$2,155,906	$3,792,397
Hamburg, Franks, Roast Beef	33,907,671	8,059,389	25,848,282	36,071,373	8,542,952	27,528,421
Pizza	11,952,189	4,830,486	7,121,704	13,251,754	5,168,620	8,083,134
Mexican	4,263,357	2,237,913	2,025,444	4,712,072	2,484,084	2,227,988
Seafood	1,633,876	948,825	685,051	1,718,944	1,001,010	717,933
Pancake, Waffle	1,402,659	494,963	907,696	1,463,304	514,762	948,542
Steak, Full Menu	12,367,662	6,507,364	5,860,298	13,350,604	6,962,879	6,387,725
Sandwich, Other	2,241,625	160,358	2,081,267	2,661,086	163,565	2,497,521
SUBTOTAL	$73,380,646	$25,273,170	$48,107,476	$79,177,438	$26,993,777	$52,183,661
Ice Cream, Yogurt	4,391,688	233,844	4,157,844	4,692,091	243,198	4,448,893
Donut	1,663,330	283,018	1,380,311	1,771,272	294,339	1,476,933
TOTAL	$79,435,664	$25,790,032	$53,645,631	$85,640,801	$27,531,314	$58,109,487

* Forecast

SOURCE: *Restaurant Business/Technomic Inc.*

continued on page 108

Real Cheese
Can Make Your
Menu Over...

For information circle number 15

BEST AVAILABLE COPY

FRANCHISE REPORT

RESTAURANT FRANCHISING 1990-1991
NUMBER OF UNITS

	1990			1991*		
MAJOR ACTIVITY	**Total**	**Company-Owned**	**Franchisee-Owned**	**Total**	**Company-Owned**	**Franchisee-Owned**
Chicken	9,334	3,123	6,211	9,505	3,170	6,335
Hamburger, Franks, Roast Beef, etc.	38,241	7,903	30,338	40,113	8,258	31,855
Pizza	23,277	7,867	15,410	25,093	8,143	16,951
Mexican	5,593	2,382	3,210	5,884	2,513	3,371
Seafood	2,969	1,700	1,270	3,007	1,725	1,282
Pancake, Waffle	2,137	660	1,477	2,173	666	1,507
Steak, Full Menu	11,324	5,215	6,109	11,581	5,319	6,262
Sandwich, Other	8,414	399	8,015	9,624	407	9,218
SUBTOTAL	101,289	29,248	72,040	106,982	30,202	76,780
Ice Cream, Yogurt	14,681	638	14,043	15,249	644	14,605
Donut	4,197	864	3,333	4,314	864	3,450
TOTAL	120,167	30,750	89,416	126,545	31,710	94,835

* Forecast

SOURCE: *Restaurant Business/Technomic Inc.*

And Over...

Chicken Dijon with Tarragon Sauce

If your customers are bored with an ordinary chicken breast, dress it up with the great taste of cheese. We gave our chicken breast a fresh new look and taste by topping it with thinly sliced ham, American and Parmesan cheeses, fresh spices, Dijon-mustard, and a light tarragon sauce. Bring more value to an ordinary chicken breast with the great taste of cheese.

For information circle number 15

And Over...

Spinach Artichoke Dip

To give your chips and vegetables some thing unexpected to dip into, forget the standard dill or onion dip and serve this Spinach Artichoke Dip instead. We've blended artichokes Cheddar, Mozzarella and Parmesan cheeses with chopped spinach in a sou cream base, and su rounded this del cious dip with pit chips and veget bles. Boost you check averages wit this easy-to-sel appetizer!

FRANCHISE REPORT

SUMMARY

It will come as no surprise to anyone who follows the restaurant industry that last year was a difficult one for operators of all types. Accordingly, *Restaurant Business* has revised its own growth forecast for Eating Places to 5.9% (nominal) from the 6.4% reported in our September, 1990, issue.

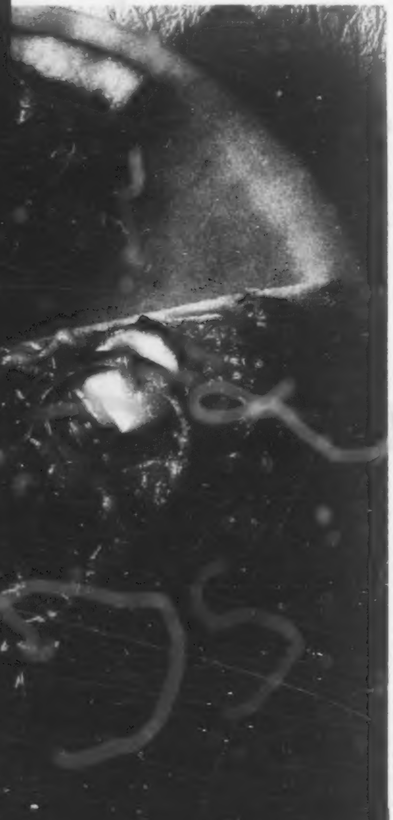
While not immune to the effects of economic conditions, the U.S. franchised restaurant industry has outperformed the eating place industry as a whole. Total sales for franchised restaurants grew by 8.6% in 1990, more than three percentage points greater than for all Eating Places. This indicates that with the unique advantages of proven business methods and systems, franchising remains one of the best chances for success for the small business owner.

GROWING SHARE. In aggregate, the U.S. franchised restaurant industry generated nearly $73.4 billion in retail sales in 1990, up more than $5.8 billion from the revised 1989 estimate of $67.6 billion. The 1990 sales estimate represents 46.3% of total Eating Place sales. The franchised restaurant industry added over 5,600 units in 1990, an increase of 5.9%, and now operates more than 101,000 restaurants.

The forecast for '91 calls for slower growth, but still healthier than the general industry. Franchise sales are expected to rise 7.9% to over $79 billion, while units should increase 5.6% to nearly 107,000. The hamburger segment dominates the U.S. franchised restaurant industry, as it does Eating

continued on page 111

Franchise sales grew by 8.6% in 1990.



And Over...

Garden-Style Pizza

Take advantage of your patrons' love of pizza while you tap into the vegetarian market with a meatless pizza that's heavy on the cheese! We combined assorted vegetables with fresh spices, and added loads of shredded Cheddar, Mozzarella and Parmesan cheeses. Then, we layered it high on a delicate cornmeal crust. This Garden-Style Pizza will satisfy real cheese pizza lovers!

For information circle number 15

And Over...

American Antipasto

You'll increase your check averages when you tempt your customers to upgrade from a basic dinner salad to the American Antipasto. We've marinated Cheddar, American and Mozzarella cheeses with salami and assorted fresh vegetables, and topped it off with an Italian signature-style dressing. Increase your profits by making the American Antipasto your signature salad!

FRANCHISE REPORT

SUMMARY

U.S. FRANCHISED RESTAURANTS SUMMARY

ITEM	1989	1990	1991*	Percent Changes 1989-90	Percent Changes 1990-91
Company-owned units	28,396	29,248	30,202	3.0	3.3
Franchisee-owned units	67,225	72,040	76,780	7.2	6.6
Total number of units	95,621	101,289	106,982	5.9	5.6
Company-owned sales ($000)	$23,424,150	$25,273,170	$26,993,777	7.9	6.8
Franchisee-owned sales ($000)	44,136,376	48,107,476	52,183,661	9.0	8.5
Total sales ($000)	67,560,526	73,380,646	79,177,438	8.6	7.9
Avg. unit sales, company-owned units ($000)	$825	$864	$894	4.8	3.4
Avg. unit sales, franchisee-owned units ($000)	657	668	680	1.7	1.8
Total avg. unit sales ($000)	707	724	740	2.5	2.2

*Forecast NOTE: Data Excludes Ice Cream, Yogurt, and Donut Shops

SOURCE: *Restaurant Business/Technomic Inc.*

And Over...

Cheesy Eggs 'N Toast

For a better profit opportunity, try our Cheesy Eggs 'N Toast instead of ordinary scrambled eggs and toast. Just add shredded Cheddar, American and Mozzarella cheeses, diced ham, and green chiles to scrambled eggs. Melt cheese over toast points and serve salsa on the side. Our Cheesy Eggs 'N Toast will satisfy your patrons who have a craving for spicy, Tex-Mex fare.

For information circle number 15

And Over...

Kids Nachos

When you offer the little ones something to munch on before dinner, you create a whole new profit opportunity. Introducing an appetizer specifically designed for kids: Kids Nachos. We took crunchy tortilla chips and topped them with a special sauce, ground beef and a creamy American cheese sauce. Increase customer satisfaction by keeping the little ones occupied before their meals are served!

Places as a whole. The hamburger segment (which includes roast beef and hot dogs) had 1990 sales of nearly $34 billion, representing more than 46% of total franchised restaurant sales and nearly 38% of units.

However, the pizza, Mexican, and sandwich/other segments were the big news in terms of growth. In 1990, these three segments had sales growth of 15.8%, 15.0%, and 31.8%, respectively. A quick review of the Top 50 franchise systems shows that to a large degree, the leaders in these segments—Pizza Hut, Taco Bell, and Subway—provided much of this growth. Still, due its sheer size, the hamburger segment's 5.8% sales increase in 1990 translates into nearly $1.87 billion in additional sales, over $200 million more than the pizza segment, the closest runner-up in terms of percentage growth.

WINNERS AND LOSERS. Recent trends in segment performance show no sign of abating. Forecasts for 1991 call for the pizza, Mexican, and sandwich segments to lead all segments in rate of growth, while chicken, seafood, and hamburger will experience growth that is slower than the franchised industry.

The Top 50 franchised systems charts (see p. 116) have been revised this year to show more meaningful data. Specifically, international sales and units are shown separately, while company-owned and franchisee-owned data represents U.S. operations only. System totals continue to reflect both domestic and international operations. In addition, all data is now based on the calendar year.

Perennial leader McDonald's tops the Top 50 in both sales and units. Double-digit growth in total systemwide sales was registered by 22 chains within the Top 50, led by a whopping 92.5% at Rally's. Applebee's Neighborhood Grill & Bar enjoyed a 54% increase in systemwide sales to $228 million in 1990, to rank as the 50th largest franchise system.

Other notable performers include: Subway (50% increase in sales); Pizza

continued on page 112

And
Over...

Pigs In The Blanket

Rather than serving ordinary pancakes and sausage for breakfast, try this breakfast treat instead. To dress up this traditional breakfast fare, we took pancakes and topped them with juicy sausage and American cheese. Then we rolled them up and added a special cheese sauce. Make the morning meal a more profitable daypart and offer your customers Pigs in the Blanket.

For information circle number 15

And
Over...

Steak Mozzarella

Beef up an ordinary steak the Italian way: with a touch of cheese. Our Steak Mozzarella has an elegant look and offers you the opportunity to charge more than you could with a plain steak. We seasoned our steak with fresh garlic and broiled to order. Then we topped it with a mixture of basil, tomato and shredded Mozzarella cheese and broiled it until the cheese was bubbly. So, beef up your profits with the added value of cheese.

FRANCHISE REPORT

SUMMARY

Hut (28%); Little Caesar (33%); Sbarro (28%); and Taco Bell (25%). Conversely, four chains—Long John Silver's, Western Sizzlin, Golden Corral, and Rax—all showed declines.

UNIT GROWTH. The Top 50 franchise systems ranked by units ranged from McDonald's with an estimated 11,162 units worldwide to Wienerschnitzel with 338 units. Only eight chains had double-digit unit growth. Subway led all chains with 1,084 new units, a 26.5% increase over 1989. Pizza Hut also showed strong unit growth with a net gain of 900 units, or nearly 13%. Other notable performances include: Hardee's (due in large part to its acquisition of Roy Rogers), with a 22% increase; Blimpie, with a 21% increase; and Little Caesar, with a 22% gain.

As the U.S. restaurant industry becomes saturated, many chains are focusing on international markets for growth. While the Top 50 franchise systems ranked by sales in aggregate had an 8.9% increase in domestic sales, international sales increased almost 20%. Similarly, the Top 50 franchise systems ranked by units had a 5.2% increase in domestic units versus a 12.9% increase in international units.

Nowhere is the international trend more apparent than at McDonald's. In 1990, its international operations contributed an estimated $6.3 billion to systemwide sales, or over a third. At Kentucky Fried Chicken, international sales represent nearly 45% of systemwide sales. KFC also leads all chains in terms of international units with 3,206 locations, just 26 more than McDonald's. Moreover, there are abundant opportunities in markets outside the U.S.; the opening of Eastern Europe adds to the potential. For this reason, international expansion by U.S. chains will continue to be a driving force for new sales and unit growth.

Text and data for this article were provided exclusively to Restaurant Business *by Technomic Inc. Technomic also provided the data for the Top 50 charts.*

And, A Menu Makeover Can Make You Money Over...And Over...And Over...

REAL POSSIBILITIES
REAL POSSIBILITIES
REAL POSSIBILITIES
REAL POSSIBILITIES

How can a Real Cheese Menu Makeover make you money over and over again? By making your entire menu more profitable with the added value and great taste of real cheese. Here's how it works.

Increases your menu's selling power.

When you add real cheese to a menu item, it gives your patrons the irresistible flavor they're looking for. And, because they place a higher value on dishes made with real cheese, you can charge more for them.

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A Real Cheese Menu Makeover keeps your menu up to date with, and helps you profit from, ongoing ethnic trends. Any way you look at it, a Real Cheese Menu Makeover will help you make more money.

Send for your kit, today.

Our Real Cheese Menu Makeover kit includes recipe cards of the delicious dishes you've just seen, plus additional great tasting real cheese recipes. You'll also receive value-added menu ideas and loads of side dish suggestions to complement your updated menu items.

Give your menu the makeover it needs. Just write to: American Dairy Association, Foodservice Division, Department R12, Dairy Center, 6300 North River Road, Rosemont, IL 60018-4289.

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For information circle number 15

RESTAURANT FRANCHISING
GROWTH RATE IN SALES 1985-1991

MAJOR ACTIVITY	Total Sales Avg. Annual Growth (%) 1985-90	Total Sales Avg. Annual Growth (%) 1990-91*	Company-Owned Avg. Annual Growth (%) 1985-90	Company-Owned Avg. Annual Growth (%) 1990-91*	Franchisee-Owned Avg. Annual Growth (%) 1985-90	Franchisee-Owned Avg. Annual Growth (%) 1990-91*
Chicken	6.4	6.0	3.8	6.0	8.1	6.0
Hamburger, Franks, Roast Beef, etc.	7.7	6.4	6.6	6.0	8.1	6.5
Pizza	14.1	10.9	14.9	7.0	13.5	13.5
Mexican	12.2	10.5	11.3	11.0	13.3	10.0
Seafood	6.1	5.2	5.9	5.5	6.5	4.8
Pancake, Waffle	4.9	4.3	8.3	4.0	3.3	4.5
Steak, Full Menu	7.6	7.9	6.2	7.0	9.3	9.0
Sandwich, Other	26.9	18.7	5.3	2.0	30.2	20.0
SUBTOTAL	9.0	7.9	7.9	6.8	9.6	8.5
Ice Cream, Yogurt	8.1	6.8	(4.7)	4.0	9.2	7.0
Donut	8.7	6.5	1.5	4.0	10.6	7.0
TOTAL	9.0	7.8	7.7	6.8	9.6	8.3

* Forecast

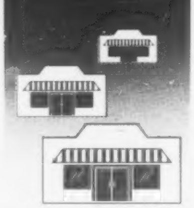
SOURCE: *Restaurant Business/Technomic Inc.*

RESTAURANT FRANCHISING
GROWTH RATE IN UNITS 1985-1991

MAJOR ACTIVITY	Total Units Avg. Annual Growth (%) 1985-90	Total Units Avg. Annual Growth (%) 1990-91*	Company-Owned Avg. Annual Growth (%) 1985-90	Company-Owned Avg. Annual Growth (%) 1990-91*	Franchisee-Owned Avg. Annual Growth (%) 1985-90	Franchisee-Owned Avg. Annual Growth (%) 1990-91*
Chicken	1.4	1.8	(0.7)	1.5	2.5	2.0
Hamburger, Franks, Roast Beef, etc.	4.6	4.9	3.5	4.5	4.9	5.0
Pizza	10.4	7.8	11.1	3.5	10.1	10.0
Mexican	6.3	5.2	5.0	5.5	7.3	5.0
Seafood	4.1	1.3	4.5	1.5	3.7	1.0
Pancake, Waffle	3.9	1.7	4.0	1.0	3.9	2.0
Steak, Full Menu	3.6	2.3	1.8	2.0	5.4	2.5
Sandwich, Other	25.9	14.4	(3.7)	2.0	29.8	15.0
SUBTOTAL	6.5	5.6	4.4	3.3	7.4	6.6
Ice Cream, Yogurt	2.3	3.9	(0.5)	1.0	2.4	4.0
Donut	3.2	2.8	(3.6)	0.0	5.6	3.5
TOTAL	5.8	5.3	4.0	3.1	6.5	6.1

* Forecast

SOURCE: *Restaurant Business/Technomic Inc.*



FRANCHISE REPORT

1989-90 Systemwide Sales by U.S. Company, U.S. Franchise, and International ($000,000)

	Franchise System	1990				1989	'89-'90
Rank		Company-Owned U.S.	Franchisee-Owned U.S.	International	Total Systemwide	Total Systemwide	% Total Change
1	McDonald's	$2,655	$9,597	$6,507	$18,759	$17,333	8.2
2	Burger King	935	4,315	850	6,100	5,700	7.0
3	Kentucky Fried Chicken	875	2,325	2,600	5,800	5,400	7.4
4	Pizza Hut	2,000	2,000	845	4,845*	3,785*	28.0
5	Hardee's	1,197	2,163	40	3,400*	2,900*	17.2
6	Wendy's	830	1,910	240	2,980*	2,969*	0.4
7	Domino's	575	1,890	185	2,650	2,500	6.0
8	Taco Bell	1,500	1,000	45	2,545	2,038	24.9
9	Dairy Queen	2	2,023	255	2,280*	2,179	4.6
10	Arby's	150	1,245	140	1,535*	1,370	12.0
11	Little Caesar's	395	1,053	52	1,500	1,130	32.7
12	Denny's	1,065	235	70	1,370*	1,300	5.4
13	Subway	3	1,127	70	1,200	800	50.0
14	Big Boy	228	812	60	1,100	1,100	0.0
15	Sizzler	337	566	110	1,014	898	12.8
16	Shoney's	437	554	0	991	862	15.0
17	Jack In The Box	636	317	0	953	859	10.9
18	Dunkin' Donuts	1	786	156	943	855	10.3
19	Long John Silver's	534	243	4	781	783	(0.3)
20	Ponderosa	450	250	35	735*	687	7.0
21	Baskin-Robbins	29	461	224	714*	682*	4.7
22	Bonanza Family Restaurants	2	545	68	615*	588	4.6
23	Carl's Jr.	466	143	5	614*	551	11.4
24	Church's Fried Chicken	375	150	50	575*	530	8.5
25	Popeyes Famous Fried Chicken	90	462	5	557*	525	6.1
26	T.G.I. Friday's	382	89	34	505	439	15.0
27	Western Sizzlin	5	469	6	480	482	(0.4)
28	Perkins Restaurants	152	320	4	476**	426	11.7
29	Chi-Chi's	369	101	0	470	420	11.9
30	Sonic	41	414	0	455	390	16.7
31	Chili's	340	105	0	445*	369	20.6
32	Captain D's	236	177	0	413	392	5.4
33	International House of Pancakes	39	313	32	384	356	7.9
34	TCBY	34	310	15	359*	303*	18.5
35	Ryan's Family Steak Houses	276	61	0	337*	295	14.2
36	Golden Corral	19	313	0	332*	368*	(9.8)
37	Houlihan's and Darryl's	293	27	0	320	306	4.6
38	Kettle Restaurants	210	109	0	319	302	5.6
39	Round Table Pizza	0	315	4	319	313	1.9
40	Rax Restaurants	99	200	2	301	326	(7.7)
41	Waffle House	135	165	0	300*	280*	7.1
42	ShowBiz Pizza	169	112	9	290	270	7.4
43	Ground Round	213	71	0	284	266	6.8
44	Marie Callender's	146	135	0	281*	250	12.4
45	Rally's	85	175	0	260	133	95.5
46	Sbarro	196	35	21	252*	197*	27.9
47	Village Inn	140	100	0	240	235	2.1
48	Godfather's Pizza	74	155	0	229	225	1.8
49	Applebee's Neighborhood Grill & Bar	30	198	0	228	148	54.1
50	Tony Roma's	36	180	0	216	182	18.7

* *Restaurant Business*/Technomic Estimate ** Company Estimate Note: All data in millions of dollars for calendar year

1989-90 Systemwide Units by U.S. Company, U.S. Franchise and International

Rank	Franchise System	1990				1989	'89-'90
		Company-Owned U.S.	Franchisee-Owned U.S.	International	Total Systemwide	Total Systemwide	% Total Change
1	McDonald's	1,632	6,944	3,227	11,803	11,162	5.7
2	Kentucky Fried Chicken	1,364	3,617	3,206	8,187	7,945	3.0
3	Pizza Hut	3,300	3,300	1,400	8,000	7,100	12.7
4	Burger King	913	4,556	829	6,298	6,042	4.2
5	Domino's	1,168	3,835	373	5,376	5,158	4.2
6	Dairy Queen	5	4,617	585	5,207	5,206	0.0
7	Subway	10	4,923	237	5,170	4,086	26.5
8	Hardee's	1,350	2,615	45	4,010**	3,291	21.8
9	Wendy's	1,010	2,421	290	3,721*	3,755	(0.9)
10	Baskin-Robbins	135	2,143	1,040	3,318	3,324	(0.2)
11	Little Caesar's	783	2,414	103	3,300**	2,700	22.2
12	Taco Bell	1,851	1,359	67	3,277	3,124	4.9
13	Arby's	230	2,040	220	2,490*	2,339	6.5
14	Dunkin' Donuts	2	1,802	362	2,166	1,898	14.1
15	TCBY	170	1,604	73	1,847	1,582	16.8
16	Long John Silver's	980	454	12	1,446	1,475	(2.0)
17	Denny's	992	302	64	1,358	1,342	1.2
18	Church's Fried Chicken	795	317	105	1,217	1,179	3.2
19	Sonic	94	949	0	1,043	996	4.7
20	Jack In The Box	653	387	0	1,040	987	5.4
21	Big Boy	200	715	55	970	970	0.0
22	Popeyes Famous Fried Chicken	120	628	7	75[illegible]	745	1.3
23	Ponderosa	405	313	32	750*	735	2.0
24	A & W Restaurants	10	642	84	736*	676*	8.9
25	Shoney's	293	427	0	720	680	5.9
26	Waffle House	320	380	0	700*	685*	2.2
27	Sizzler	230	410	48	688	652	5.5
28	Carvel	3	642	18	663	693	(4.3)
29	Captain D's	357	271	0	628	607	3.5
30	Orange Julius of America	1	465	148	614	660	(7.0)
31	Winchell's Donut Houses	530	50	0	580*	633	(8.4)
32	Bonanza Family Restaurants	2	508	64	574*	574	0.0
33	Carl's Jr.	426	141	5	572	534	7.1
34	Round Table Pizza	0	560	7	567	564	0.5
35	Mr. Donut	0	438	84	522	580*	(10.0)
36	Godfather's Pizza	165	347	0	512	504	1.6
37	International House of Pancakes	61	399	30	490	480	2.1
38	Western Sizzlin	5	480	2	487	525	(7.2)
39	Golden Corral	447	27	0	474	525	(9.7)
40	Sbarro	351	71	34	456*	384	18.8
41	Kettle Restaurants	279	171	0	450	425	5.9
42	Taco John's	12	432	0	444	444	0.0
43	Pizza Inn	38	387	0	425	468	(9.2)
44	Perkins Restaurants	113	280	6	399	371	7.5
45	Blimpie	0	398	0	398	330	20.6
46	Rax Restaurants	110	272	3	385	490	(21.4)
47	Haagen-Dazs	5	290	82	377*	357*	5.6
48	Shakey's Pizza Parlors	26	168	182	376	371	1.3
49	Tastee Freez	0	349	13	362	379	(4.5)
50	Wienerschnitzel/Hamburger Stand	99	240	0	339	338	0.3

**Restaurant Business*/Technomic Estimate **Company Estimate. Note: All data for calendar year

RB
RESTAURANT BUSINESS

SPECIAL REPORT

THE GREENING OF FOODSERVICE

APRIL 10, 1991
A BILL PUBLICATION

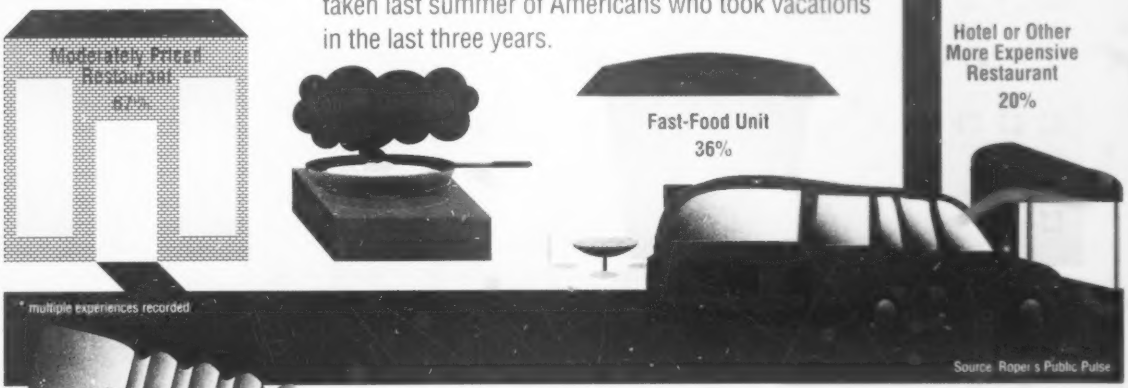
THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

Thrifty Vacations

Dining experiences while on vacation: *

Americans are making travel decisions with budget constrictions in mind, according to a consumer poll taken last summer of Americans who took vacations in the last three years.



* multiple experiences recorded

Source: Roper's Public Pulse

Bottled Water: Surging

		1988	1990	% Change
% Restaurant Operators Serving Bottled Water:	Yes	35.2	41.6	+18
	No	64.8	58.4	−10

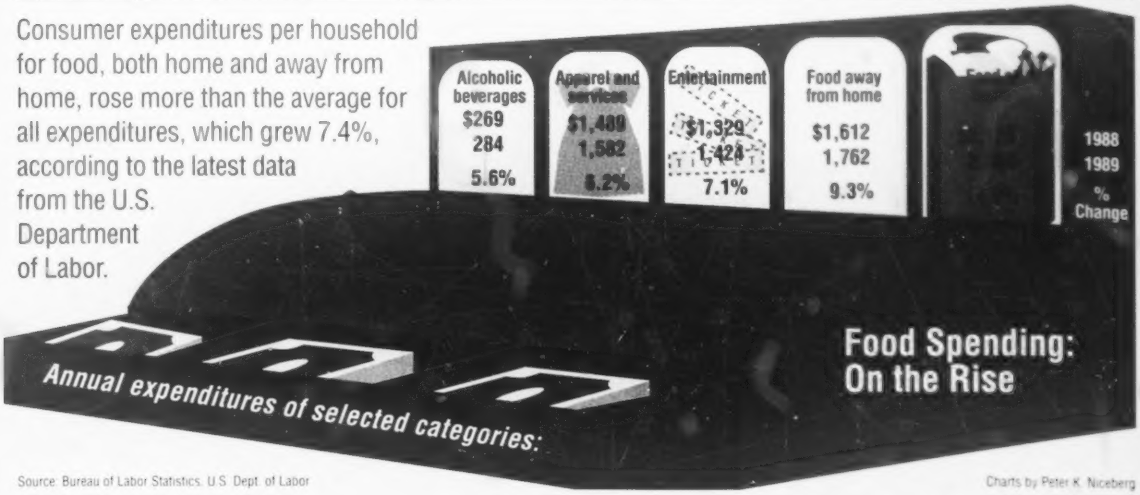
Restaurant operators polled by *RB* indicate they are serving more bottled water than they were two years before. Fullservice and independent operations in the West and Northeast served more bottled water than those in other segments and regions of the country.

Source: *RB* Cold Beverage Survey, 1990

Food Spending: On the Rise

Consumer expenditures per household for food, both home and away from home, rose more than the average for all expenditures, which grew 7.4%, according to the latest data from the U.S. Department of Labor.

Annual expenditures of selected categories:



	Alcoholic beverages	Apparel and services	Entertainment	Food away from home
1988	$269	$1,489	$1,329	$1,612
1989	284	1,582	1,424	1,762
% Change	5.6%	6.2%	7.1%	9.3%

Source: Bureau of Labor Statistics, U.S. Dept. of Labor

Charts by Peter K. Niceberg

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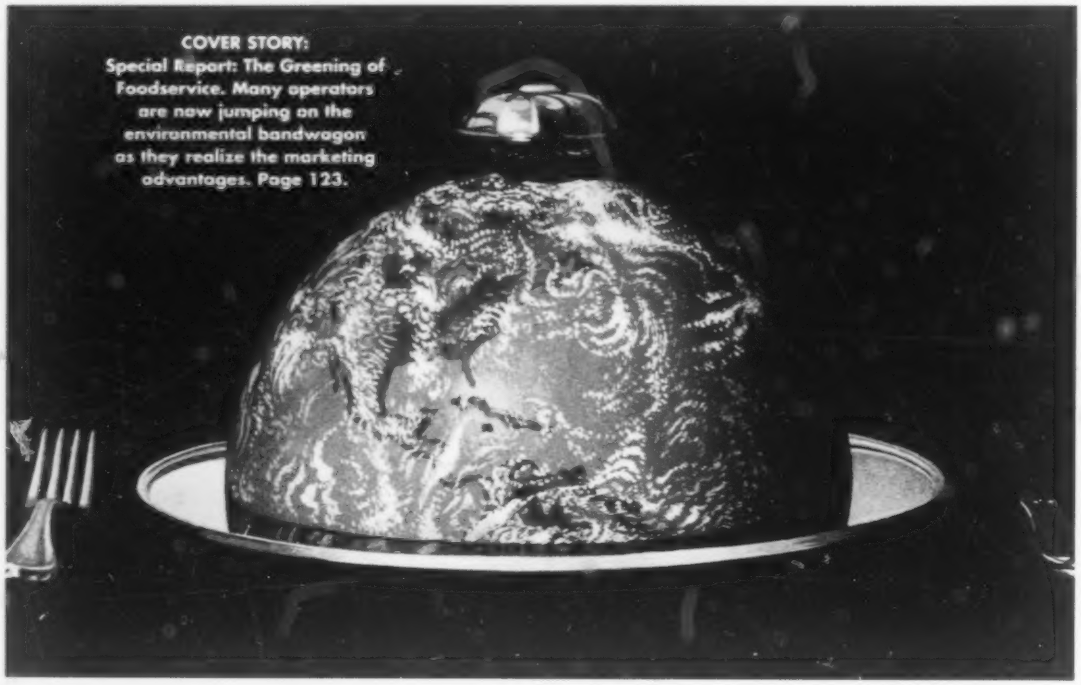

COVER STORY:
Special Report: The Greening of Foodservice. Many operators are now jumping on the environmental bandwagon as they realize the marketing advantages. Page 123.

COVER STORY

SPECIAL REPORT **THE GREENING OF FOODSERVICE.** It has become apparent to foodservice operators that proactive good citizenship will be a point of marketing and competition in the '90s. Energy and waste disposal costs have risen to the extent that environmental action makes good business sense. Meanwhile, current government initiatives may make compliance a moot point **123**

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Cover illustration by Marvin Mattelson.

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COVER STORY FOOD IN AMERICA. This article will deliver a "state of the breadbasket" address, together with a photo essay of food in America today. The report will emphasize issues that will affect customers' restaurant decision-making.

MARKET SEGMENT REPORT ICE CREAM/YOGURT. The segment is in a heavy period of transition, as overextended national chains and smaller regionals begin to feel the pinch of market saturation. Companies with their sights set on survival are adding new light and low-calorie frozen dessert products.

SPECIAL FEATURE SILVER PLATE AWARDS. Profiles of this year's recipients. The prestigious roster includes: Joseph Pierce, Pierce's 1894 Restaurant; Robert Wood, Bob Evans Farms Inc; Herman Cain, Godfather's Pizza Inc; Dolores Jean Strenko, Southwest General Hospital; Marjorie Craft, Dallas Ind. School District; Matthew Sheriff, University of Maryland; Steven Leipsner, Service America Corp.; Doris Melzarek, 3M Company; and Alfons Konrad, Four Seasons Hotels & Resorts.

TEST KITCHEN:
Pasta p. 189.

SANITATION

The Most Important Factor

Could McDonald's Ray Kroc make it in the restaurant business if he started out today? Probably, but the Q.S.C. motto he made famous might have to be rethought.

Kroc made Quality, Service, and Cleanliness the marching orders not only for the McDonald's system, but for all who were smart enough to emulate it. Yet, based on proprietary *RB* research, today's customer is more likely to rank cleanliness on a par with quality, and tomorrow's guest will probably list it as the most important restaurant attribute of all.

According to an extensive survey recently completed by *RB*, the level of a restaurant's cleanliness and the quality of the food were considered "very important" or "somewhat important" by an identical 98.7% of respondents.

Interestingly, however, from 1989 to 1990, the percentage of respondents naming food quality as very important declined by three points, from 95% to 92%, while concern for cleanliness rose four points from 88% to 92%. With the exception of friendly service at 87.6%, all other criteria lagged significantly behind.

THE COST. It's all very nice to say that good sanitation practices are important in a restaurant, but how much will it cost? Our research found that monthly expenditures for the average restaurant included $186 for machine dishwashing detergents and $166 for all other cleaning supplies. Here are some other interesting figures from the research that might help you plan and execute an effective sanitation program:

- The percentage of operators who use outside janitorial services rose from 22% in 1989 to 32% in 1990. Eighty percent of those who use these services assign them specific tasks rather than general cleaning. Chain regional offices or headquarters are more likely to use such services than independents, probably because they can leverage multiple units in negotiating contracts.

Customers rank cleanliness at the top of their priorities.

WHAT GUESTS WANT

The following restaurant attributes were considered "very important."

FOOD QUALITY	**92%**
CLEANLINESS	**92%**
FRIENDLY SERVICE	**88%**
ATMOSPHERE	**66%**
CONVENIENT PARKING	**44%**
FAST SERVICE	**43%**
CONVENIENT LOCATION	**38%**
EXPECTED COST OF MEAL	**32%**
MENU VARIETY	**30%**
NUTRITIOUS FOOD	**27%**
NONSMOKING SECTION	**22%**
SPECIAL DISCOUNTS	**11%**

Source: *RB* Research

- 33% of operators now own a washing machine for laundering their own linens, as opposed to 24% in 1989. Of those who own their own machines, 60% use a home rather than a commercial model.

Even in chains, the unit manager is the most likely person to specify and purchase cleaning supplies. In 91% of all restaurants, the same person who buys the food also buys cleaning supplies.

- Operators are most likely to turn to full-line distributors for warewashing supplies, hand soap, floor detergents, window-washing liquids, and restroom cleaning products. Many buy directly from manufacturers, janitorial supply companies, and paper distributors.
- 30% work with one manufacturer to develop an overall cleaning program. In establishing such a relationship, operators look for service, simplicity of program, free sample product, discounts and rebates, and training programs, demonstrations, and wall charts.
- Portion-control systems for warewashing and floor washing were considered very important.
- Liquids were the product form of choice for nearly every cleaning challenge, including ovens, fryers, griddles, range hoods, drains, counter tops, and restrooms.
- For handwashing in kitchens and restrooms, bulk soap dispensers are preferred, followed by cartridge dispensers and bar soap. Paper towels are the hand-drying method of choice in kitchens and restrooms at 82% and 71%, respectively. Blowers are found in 17% of restrooms.
- Cloth towels are used for kitchen cleaning by 77% of operators, but disposable towels, up from 34% to 42%, are becoming more popular.
- 83% of operators sanitize their kitchens after general cleaning, while 65% sanitize restrooms. 55% clean restrooms more than once a day, 37% only once. Chains get a much better report card than independents.
- 89% of restaurants have pest control programs; of these, 36% use it more frequently than routine, once-a-month maintenance.
- The top five problem cleaning areas named were kitchen floors, windows and mirrors, range hoods, dining area floors, and restrooms.

Attention to cleanliness and sanitation can make a big difference in customer satisfaction. **–Scott Allmendinger**

All of the information for this article was obtained from RB *Research Monitor on Sanitation, 1991. For more information, contact* RB *Research at 212-984-2308.*

MEXICAN

Segment chains continue their eastward drive.

By Carol Casper

The Mexican restaurant segment continues to grow, both in geographic penetration and breadth of concept. There are also signs, at least in its home territory, that the market segment is growing up. The proportion of Mexican units in Southwestern states compared to those in other parts of the country shrank last year. This was not just because the numbers in other states grew, but also due to a decrease in Southwestern units, according to RE-COUNT data from the Restaurant Consulting Group, Evanston, IL.

Mexican chains are continuing their eastward drive not only in response to the lure of untapped markets, but also because traditional strongholds are becoming saturated. Dallas-based Southwest Cafes Inc., for example, has launched a campaign to woo new franchisees in the Midwest and other parts of the country far outside the chain's former confines.

"Traditionally we've stayed closer to home, in states like Texas, Oklahoma, and Arkansas where people eat Mexican food as frequently as they eat hamburgers," Wes Jablonski, director of franchising, comments. "But the problem is that although there is a lot of demand here, there are also more Mexican restaurants."

CONSOLIDATION. In a similar vein, Philip Ratner, president and CEO of Acapulco Restaurants Inc., says he expects most of the midscale chain's growth in the next few years to come at the expense of other operations.

The recession's effects can also be seen in statistics on new Mexican openings last year. The number of Mexican units in the U.S. grew by fewer than 300 from 1989 to 1990, according to RE-COUNT, compared to an increase of 1,250 the previous year.

Development should pick up again, however, as most operators outside the Southwest still express optimism about expansion opportunities. They cite a growing acceptance and awareness of Mexican food as an option among consumers nationwide. One sign is the increasing appearance of Mexican items on non-Mexican restaurants' menus. While some complain of the added competition, many operators feel this infiltration into other segments is more help than hindrance.

continued on page 148

Taco John's is emphasizing combination platters of burritos, tacos, and enchiladas with sides of rice and beans.

MARKET SEGMENT REPORT

MEXICAN

"It may [illegible] e Mexican choices for people, but [illegible] demonstrates the overall awareness and acceptance of Mexican food," says Jan Moore, vice president of marketing for Amigos, a regional chain based in Lincoln, NE.

Fast food remains the strongest growth sector. Much of this expansion has been powered directly or indirectly by giant Taco Bell, which commands better than 60% of the Mexican fast-food market. Despite the chain's competitive edge, other Mexican fast-food operations still seem to be reaping benefits from the heightened visibility Taco Bell has gained for Mexican food.

ROSY PICTURE. Traffic counts paint a rosy picture. From the end of 1989 through November 1990, traffic in Mexican fast-food units increased 13%, according to CREST, a service of NPD Group, Park Ridge, IL. Over the past three years, traffic for the segment has risen more than 40%.

At the other end of the price spectrum, moderate-check/upscale Mexican restaurants experienced a 9% gain in traffic last year, [illegible] compound growth of nearly 25% over the past three years.

Things have not gone so well for midscale Mexican restaurants, however. Traffic in this sector fell 1% last year. Although the numbers were up 7% in 1989, that increase represented just a partial rebound from a 12% drop the year before. One reason for the decline may be that midscale operators have borne the brunt of the competition from other restaurants.

MENU SHIFTS. Mexican menus are also changing. There is a marked shift away from traditional or "Mex-Mex" food, as one operator dubbed it, to more Southwestern-styled concepts. The new menus include already familiar "Tex-Mex" items like the omnipresent fajita, as well as new selections.

This shift appears to be powering much of the growth in the upper-priced Mexican category. Although mostly seen among independents, which make up the largest segment of upscale operations, it is also affecting chains. El Torito, for example, is developing the El Torito Grill, which president Mike Casey describes as "more Southwest, Santa Fe, less Tex-Mex."

Spectrum [illegible] mas restaurant in Tiburon, CA, affords customers a view of the San Fra[illegible]ay as they enjoy authentic Mexican cuisine.

This shift in orientation is even rubbing off on lower-priced restaurants. The Taco Maker, a fast-food chain based in Ogden, UT, has developed a new pilot unit with an "upgraded Southwestern theme."

Mexican-flavored operations are also broadening their concepts in other directions, incorporating elements of California cuisine, even forming Mexican-Cajun hybrids. These developments also mean a shift in cooking styles toward more grilled items and other lighter preparation styles.

PRICE/VALUE. The other '90s imperative that virtually all Mexican restaurants are responding to is an emphasis on price/value. Upscale and midscale houses are feeling the pull even though Mexican restaurants are generally well positioned in this regard. In fast food, value menus are the name of the game.

PepsiCo's Taco Bell, Irvine, CA, launched the trend two years ago. The reverberations have since been felt not just in the Mexican segment, but throughout the fast-food world.

In last year's fourth quarter, the chain extended its value initiative from one low price point to three tiers of menus priced under a dollar. In addition to its 59¢ taco, it now features over a dozen other value-priced items at 59¢, 79¢, and 99¢ levels.

The strategy appears to be panning out, as sales for the 3,210-unit chain grew to $2.5 billion in 1990, from $2 billion in '89, on just a 5% increase in the number of units.

In 1991, Taco Bell will step up expansion, with more than 200 new stores scheduled, primarily in the East. The new units will maintain its ratio of 60% company-owned to 40% franchised.

Another major focus is operational improvements, which have helped Taco Bell pursue its value strategy and still stay profitable. "If you look at Taco Bell today versus 10 years ago, there is a

continued on page 154

MARKET SEGMENT REPORT

MEXICAN

real difference in size and structure," says Jeff Lightburn, director of communications. In the early '80s, 70% was taken up by kitchen space. Today, that has shrunk to 30%. The company will continue to roll out this system, called the K-Minus program.

Another program it is gradually implementing chainwide is TACO—Total Automation of Company Operations. It involves the installation of systems to automate tasks and lessen administrative burdens.

Running a distant second to Taco Bell in the Mexican fast-food segment is Taco John's International, Cheyenne, WY, which goes head-to-head with its giant competitor in about 70% of its markets. Taco John's is avoiding direct price war by putting its value emphasis on new combination platters.

Close to half of the chain's 444 units are now serving the combos and the rest are scheduled to join in by midyear. Prices range from $2.99 to $4.99, according to Bob Anderson, vice president, marketing.

Taco John's is stepping up a remodeling program begun last year as well. The new prototype is larger, with more inside seating than previous units.

Its pace of new openings slowed in '90, but the chain plans to add about 30 units in '91, mainly franchised. Roughly 98% of current sites are franchised, primarily by individual owner/operators.

Another chain seeking to avoid the value menu price war by promoting platters is Taco Tico, which operates 76 company-owned and 32 franchised stores.

MULTIPRONGED. Taco Tico is in the process of acquiring Atlanta-based Del Taco and its subsidiary Taco Villa from W.R. Grace Co., which owns 82% of their stock. The other 18% is publicly traded. Grace is awaiting permission from the SEC to take the chain private so the deal can be completed. Once that happens, management will concentrate on digesting the new operations, which include 97 company-owned Del Tacos and Taco Villas, and 50 franchised units.

Traditional menus have given way to more grilled foods.

"There are no plans for converting any stores. The beauty of the deal is that we'll be able to operate all three concepts without any significant increase in corporate G&A," comments Buddy Utley, vice president and chief financial officer. The acquisition will also make for a neat geographic spread, with Taco Tico operating in the Midwest, Taco Villa in the Southwest, and Del Taco in the Southeast.

continued on page 160

Taco Time's Nachos Deluxe platter features freshly made taco chips.

MARKET SEGMENT REPORT

MEXICAN

Mexican items are now found on nonsegment restaurant menus.

While Del Taco has been promoting a 99¢ "Bigger Better Bite," the game plan for all three operations will shift to a stress on complete dinners to sidestep the value menu price war.

No relation to the Southeast's Del Taco, the larger Del Taco Inc., Costa Mesa, CA, has undergone its own series of ownership changes since 1988. The company includes both the Del Taco and Naugles chains, which merged in 1988 when they were purchased by American Restaurant Group. Less than two years later, president Wayne Armstrong and three partners took over ownership in a leveraged buy-out. Armstrong has since exited, leaving the business to partners Kevin Moriarty, president; Harold Fox, vice president, finance; and Paul Hitzelberger, vice president, marketing.

They closed several Naugles and added five new Del Tacos in the last year. The 317 Del Tacos, including 82 franchised units, are located primarily in California, while 44 remaining Naugles are spread among several states. There are no plans to convert Naugles, but expansion will be confined to the Del Taco concept, says Hitzelberger.

In the competitive arena, Del Taco is challenging Taco Bell's value menu. Early last year it debuted its own 49¢ menu featuring seven items. That was followed in October by three additional menus under $1, giving the chain a larger selection of value items than Taco Bell. The chain also introduced six- and 10-packs of tacos, burros, and burgers for take-out.

Another chain implementing an affordable menu is The Taco Maker.

"We're launching our value menu in several phases," notes Don Stuver, vice president of new store development. "We'll probably end up with two price points: 59¢ and 79¢." In test markets, the value approach has increased store sales 15% to 20%, he adds.

The Taco Maker operates 97 units, all but five of them franchised, including 94 in the U.S. and Puerto Rico, and three in Canada and Saudi Arabia. For the last two years the company has held down growth, Stuver says, opening just five stores in 1990. "We're planning some additions in the second half of '91, but with the economy, our main focus has been on improving existing units."

The chain has also been working on new designs. They include a 600-sq.-ft. double drive-thru, which can be adapted to add inside dining at a later date, and the 2,100-sq.-ft. freestanding pilot featuring Southwestern decor.

ANOTHER LEVEL. Amigos is a small but growing Midwestern chain. While customers place their orders at a counter, meals are served on china, with silverware. Freestanding units also offer drive-thru. The firm currently operates 47 units, including 18 mall locations in Nebraska, Kansas, Missouri, Iowa, and Colorado. It expects to add 10 to 15 new stores this year. Annual sales average $360,000 in malls, $650,000 at freestanders. Chainwide sales last year were $22 million.

Amigos has also followed the value trend, offering Super Deal items: 49¢ tacos, soft burritos, and bean tostadas; 59¢ crisp pinto burritos, soft tacos and chili; 79¢ crisp meat burritos and tacoritos; and 99¢ soft tacos and fajitas.

It debuted two new items, potatoskin nachos and chicken fajita nachos.

Far-flung Taco Time International, based in Eugene, OR, concentrated its expansion efforts last year outside the U.S., but plans to step up domestic growth in 1991. There are now 304 Taco Time restaurants, including 18 company and 191 franchised units in 20 states, plus 81 franchised sites in Canada, [illegible] Japan, and one in the United Arab Emirates. This year, according to mar-

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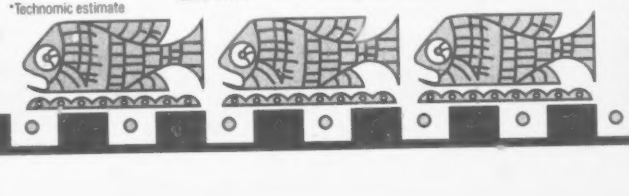
THE TOP MEXICAN CHAINS

COMPANY	1990 SYSTEMWIDE SALES	NO. UNITS
Taco Bell (PepsiCo)	$2.5 billion	3,21[illegible]
Chi-Chi's (Foodmaker Inc.)	$470 million*	219
El Torito	$395 million	181
Del Taco Inc.	$209 million*	361
Taco John's	$133 million	444
El Chico (Southwest Cafes Inc.)	$118 million	89
TacoTime	$99 million	304

*Technomic estimate



CHARTS BY SHARI FANG

MEXICAN

keting communications manager Patricia Scarci, the chain plans to add 15 U.S. units and two in Canada. Sales are projected to grow to $100 million systemwide.

The company's biggest new product development in 1990 was the Mexi-Meal, a combination platter featuring a choice of popular entrees served with refritos, rice, chips, and a side salad. In tests, sales averaged close to 10% of store volume, with some units as high as 15%, Scarci says. Taco Time is also testing a Nachos Deluxe platter featuring freshly made taco chips.

In the midscale sector, Chi-Chi's, Louisville, KY, has bucked the downtrend with a package of "fun, food, and value." The company does not release sales figures, but other sources estimate chainwide revenues advanced more than 10% last year, to approximately $470 million.

Chi-Chi's "good times" emphasis will continue this year with a series of promotions and "high impact, brighter, more festive" TV ads, says senior vice president, operations, Joe Micatrotto.

Chi-Chi's menu continues to evolve from its original Sonoran flavor, characterized as "Mexican food for American tastes." Five years ago it added the chajita grill line, paving the way for Tex-Mex items with still bolder seasonings than two years ago. Waiting in the wings are new items, including combos with price points as low as $5.99.

The chain is also "going on the offensive" to promote liquor sales, Micatrotto notes. "We don't want people to get drunk, but we encourage them to order a margarita with their meal." As enticement, the company introduced a light margarita with reduced alcohol, calories, and price.

The value emphasis has lowered check averages slightly to $7.75, but traffic increases have helped maintain annual unit volumes at $2.5 million.

Since its acquisition by Foodmaker Inc., San Diego, three years ago, Micatrotto adds, Chi-Chi's has focused on company rather than franchised growth. The firm even bought back locations from several franchisees with an eye toward expanding those areas.

It now operates 165 company-owned units in the U.S. and plans to add 15 to 20 this year. There are also four in Germany and, until recently, one in Kuwait. In addition, franchisees operate 54 units in the U.S. and Canada.

AGGRESSIVE FRANCHISING. While it presently has just 60 company-owned and 29 franchised restaurants, Dallas-based El Chico launched an aggressive new franchising campaign. For many years, growth efforts have been limited to its Southwest home territory and the Southeast. Now the company is actively soliciting franchisees in other regions, particularly the upper Midwest.

The company adopted a fresh corporate identity, Southwest Cafes Inc., in December to position it for a new segmented approach to growth. "We have four other concepts, each targeting different markets," vice president of marketing Rodney Allen explains. They include Cantina Laredo, with a mesquite grill and a menu and service profile a little more upscale than El Chico, Casa Rosa, an upscale Mexican restaurant, Cuellars Cafe, described as "about two steps above and away from pure Tex-Mex," and Lupitas, similar to El Chico in pricing, but with a different architecture and service style.

While El Chico's development will be pegged on franchising, Cantina Laredo, designed for more sophisticated, urban markets, will become the focus of com-

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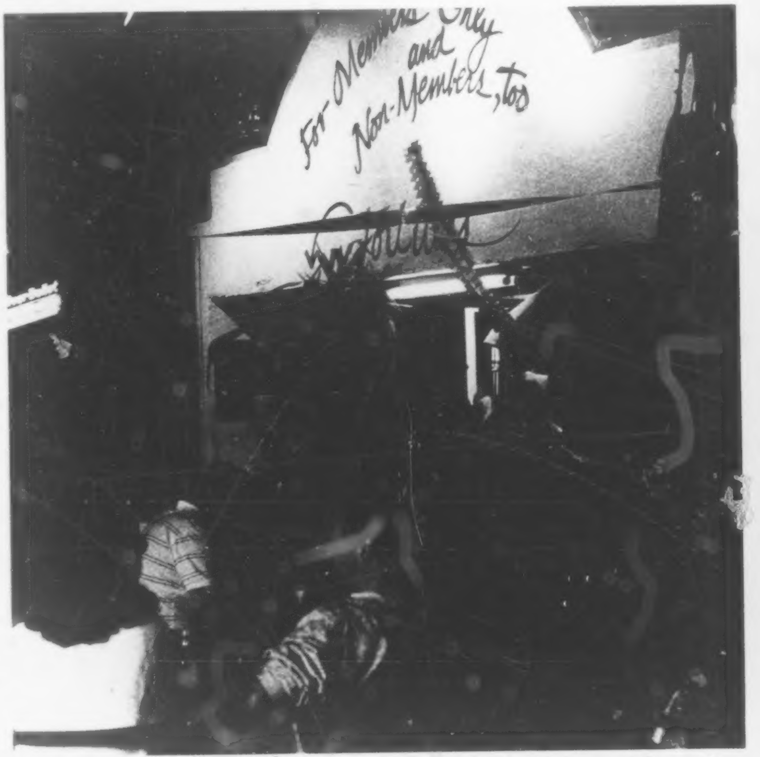

Rio Bravo Cantinas are a casual, fun concept of Innovative Restaurant Concepts.

MARKET SEGMENT REPORT

MEXICAN

pany expansion, Allen says.

Another firm with a segmented approach is Restaurant Enterprises' El Torito group, based in Irvine, CA. Its various restaurant concepts add up to 175 company-owned units, plus five franchised by the Riese Organization in New York City, and one franchised unit in Japan.

In addition to its flagship El Toritos, which account for the bulk of operations, the firm has 25 Casa Gallardo's, a total of 20 Casa Maria's and La Fiesta's, and a handful of restaurants under the names Who Song & Larry's and Tequila Willy's. Capping the upper end of its strategic range are the four El Torito Grills, which feature Southwestern desert ambience and Southwest-inspired food.

Three new openings planned for this year will include another El Torito Grill and an essentially similar Casa Gallardo Grill, Casey notes. In other units, the emphasis is on lighter fare, such as lunch combos priced at $4.95.

MORE VARIETY. The broadening trend in Mexican menus is also evidenced by Acapulco Restaurants Inc., the Long Beach, CA-based subsidiary of New York's Restaurant Associates.

Taco Bell has led the value menu price stampede.

"We're featuring a greater variety of specialty items than in the past, including more sautéed foods and other items cooked to order," says Ratner.

Acapulco now operates 50 units. It acquired nine El Paso Cantina restaurants as part of the deal when the latter's parent, Kyotaru Co., purchased Restaurant Associates last year. Most of these have been or will be converted to Acapulco Mexican Restaurants, including a 10th site that was under construction at the time of the merger.

In Texas, Monterey Tex-Mex has also pointed its menu in a different direction. Formerly known as Monterey House, the chain is owned by ShowBiz Pizza Time, which was spun off as a separate company by Brock Hotel Corp./INTEGRA two years ago.

After taking Monterey House out of bankruptcy, ShowBiz ran into a capital crunch that led to a decision to close about half the units in 1989. Management then began an aggressive remodeling campaign in the remaining 27 units, and installed a new Tex-Mex menu to augment its traditional Mexican items. The stores have posted nearly a 25% increase in volume since the change, says executive vice president Dick Huston.

There are currently four Tejas Cafe & Bars.

A midscale operation that is taking a different menu track is Pepe's Mexican Restaurants, Chicago, which operates two company-owned and 61 franchised units in Illinois and Indiana. Pepe's has launched a radio-supported campaign promoting specialties from different Mexican regions throughout the year, according to president Robert Ptak.

CANTINAS ON THE ROAD. Perhaps the most successful Mexican-oriented restaurants these days are the proliferating cantina- or roadhouse-style operations. Typified by casual decor, loud music, and wide-ranging food at reasonable prices, they attract families as well as young singles and couples.

A prime example is Chevy's Mexican Restaurants, San Francisco, which recently opened its 26th unit and expects to have 35 in northern California by the end of 1991.

Vice president of marketing Laura Brezner characterizes Chevy's menu as "border style" combining elements of traditional Mexican and U.S. Southwestern cuisine. Although the decor is ultra-casual, with concrete floors and stacked beer crates, the menu rivals most dinnerhouses.

"We have a tremendous family following," Brezner adds. "El Machino, which makes fresh tortillas, is the centerpiece of each restaurant. It's a relaxed atmosphere where the whole family can dine."

The cantina-style operations may have originated in the West, but their influence has quickly spread. Adding its

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MARKET SEGMENT REPORT

MEXICAN

Cantinas, or roadhouse-style concepts, are proliferating.

own peculiar twist to the concept, for example, is Massachusetts's The Border Cafe, which combines Mexican/Tex-Mex/Southwestern cuisine with Cajun cooking. Its menu recounts the legend of Jose Creole, "the unassuming culinary genius who crossed Mexican and Cajun, Creole, and Soul in a little kitchen near the border in south Louisiana." The supposed results of his experiments are over 75 menu items ranging from mesquite-grilled fajitas, seafood enchiladas, and mesquite-broiled redfish to French Quarter chicken with jambalaya, catfish Mardi Gras, and Louisiana pork chops. The creative cuisine is reasonably priced, with checks averaging $10-$12. The atmosphere is "loud and casual," notes general manager Dan Fay.

Owners Mike Larkin and Garrick Steele opened the first Cafe in Cambridge four years ago, followed by a second in Saugus, MA, last year. A third is being planned.

A similarly fun and casual approach is taken by Rio Bravo Cantinas, the brainchild of Raymond Schoenbaum, owner of Innovative Restaurant Concepts Inc., Marietta, GA. In addition to five Atlanta units, Rio Bravo opened in Nashville last May. Another unit in Tampa, FL, is set to open.

Like Chevy's, Rio Bravo has as its centerpiece a machine that produces soft, warm tortillas. The menu leans more heavily toward traditional Mexican and Tex-Mex favorites, with a few specialties thrown in like Santa Fe chicken with hickory sauce, and Cancun shrimp baked in garlic butter. Checks average $6 at lunch and $9 at dinner.

The six restaurants already open serve a total of 44,000 people per week.

While the Southwest may be getting saturated, Montgomery Foods Inc., Bryan, TX, is betting there is still some room for new concepts. The family-owned enterprise, which also runs a 20-unit Pizza Hut franchise, has been developing the Tejas Cafe & Bar since 1983. With four units open and a fifth in progress, the company is now embarking on franchising, says co-owner John Lampo. The broad, freshly prepared menu includes items like chicken Tejas in a homemade Burgundy mushroom sauce, and chicken taco salad.

Legal battles have slowed growth for two other Texas-based chains, but as the struggle goes on, both are gearing for further growth.

They are two patio concepts that have been embroiled in a trade-dress misappropriation suit for several years. Taco Cabana International Inc., San Antonio, TX, brought the suit against Two Pesos Inc., and won a $3.8 million judgment in 1988. Two Pesos has since appealed. A ruling is expected this year.

In the meantime, Taco Cabana has grown to 25 company and 11 franchised units, and plans to accelerate growth with six more company stores and 13 new franchised units by year's end. Company sites are limited to Texas and California, while franchises have brought the company to Arizona.

"This year we expect to add franchisees in Florida, Georgia, Missouri, and Illinois," notes Jim Eliasberg, senior vice president, franchising.

The concept is geared to take advantage of fair weather, but can be adapted to colder climates, adds president Richard Cervera. The interior patio-style dining room has fold-back or roll-up doors which can be opened onto an exterior patio on nice days. Most units also feature drive-thru's, which account for 40% of sales.

Two Pesos Mexican Cafes consists of 25 company-owned units plus two franchised sites and two licensed operations. The latter have a semi-full-service format, while the rest of the chain is quick-service, notes director of staff services John Schwartz. In addition to 21 Texas units, the company operates in Phoenix, Minneapolis, and Atlanta.

A DIFFERENT APPROACH. Two other quick-service chains that take a little

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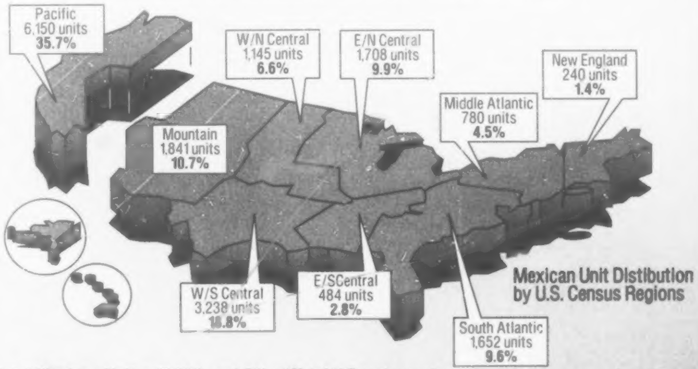
BEST IN THE WEST

Over a third of all Mexican restaurants are in the Pacific region.



Total Mexican Units: 17,238, or 4.6% of Total U.S.restaurants.
SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

different approach to Mexican food are Los Angeles' Mrs. Garcia's and Portland, OR's Macheesmo Mouse. Both offer menus that accent fresh and healthy preparations, although the latter prefers the term "smart food" to health food. It's tagline, "Fresh. Fit. Fast," sums up its approach, notes CEO William Warren.

Macheesmo Mouse currently has 12 units, located in Portland, Seattle, and San Francisco. Decor, once described as "post-modern cow punk," has been slightly toned down.

Mrs. Garcia's builds its basic menu around chargrilled steak and marinated boneless, skinless chicken breasts, which are chopped straight off the grill and served in warm tortillas. Customers can then add a variety of condiments at a salsa bar. Recently the chain expanded its menu to include more salads and vegetarian items.

Units average 35-50 seats and do about 40% of sales in take-out. Average annual volume runs $500,000 per store.

With 13 locations in and around L.A., including five franchised, the chain is looking to franchise development for most of its future growth.

In the upper echelons of Mexican food, most of the excitement continues to center on Southwest-style concepts, such as Vision Restaurants' Salud! in Corona del Mar, CA, which offers specials cooked in a pibil, or wood-burning oven. The appeal of such cooking has spread far beyond the West, even to chilly Massachusetts, which boasts at least two successful Southwest concepts besides The Border Cafe.

El Torito's fajitas combo is a favorite with customers.

Upscale Mexican restaurants offer sophisticated regional cooking.

The Cottonwood Cafe, Cambridge, MA, has earned high marks from critics for its upscale approach to native Southwest cuisine. Owner Craig Gillaspie and brother Brece, executive chef, have fashioned a menu that combines Native American, Mexican, Spanish, and Anglo cooking. The results include creations like Pasta Pollo Rojo, chile-reddened chicken sautéed and tossed with fresh tomato tagliatelli, sun-dried tomatoes and pine nuts in a red chile cream sauce.

While its upscale compadres pursue the Southwestern mystique, Spectrum Foods' Guaymas restaurant, in Tiburon, CA, is almost in a class by itself, offering fine dining based on authentic, native Mexican cuisine from different regions. The menu, heavy on fresh fish and grilled meats, shows particularly in its complex sauces the continental influence that most Americans are not aware is also part of Mexico's heritage.

"We're trying to do for Mexican food what was done for Italian food 10 years ago," notes director of marketing Faith Wheeler. "We're taking customers through an education process."

Apparently there is a market willing to learn. Based on Guaymas' success, Spectrum is opening a similar restaurant, Salud! in San Francisco this Spring. **RB**

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FOOD IN AMERICA

MAY 1, 1991
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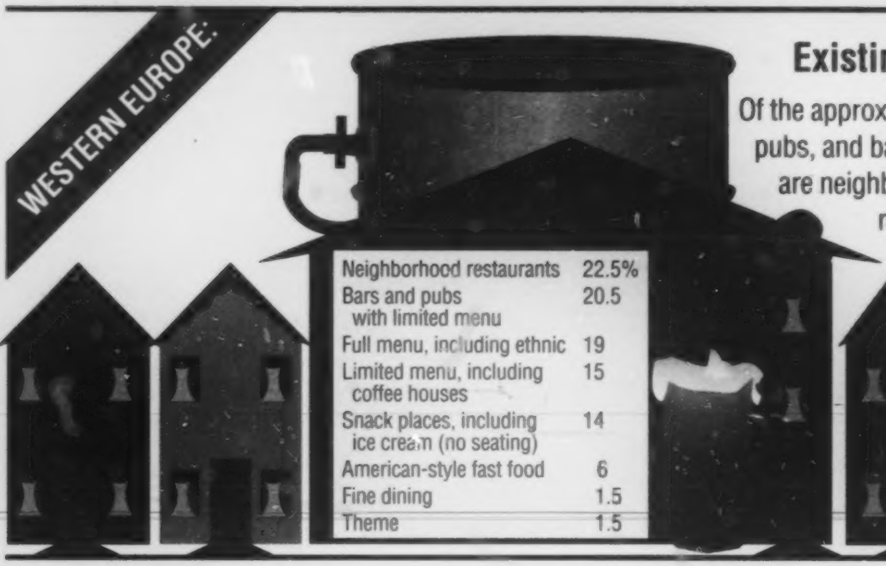
BUSINESS BAROMETER



Neighborhood restaurants	22.5%
Bars and pubs with limited menu	20.5
Full menu, including ethnic	19
Limited menu, including coffee houses	15
Snack places, including ice cream (no seating)	14
American-style fast food	6
Fine dining	1.5
Theme	1.5

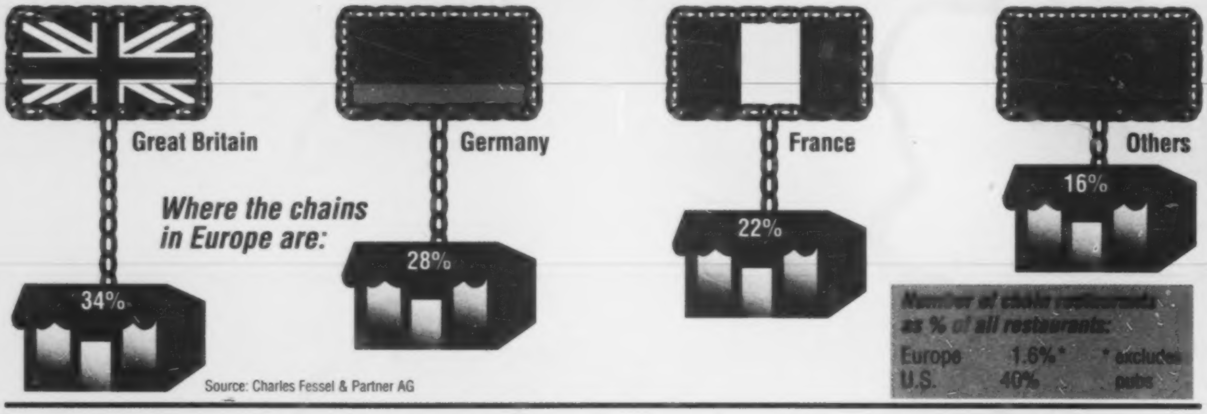
Existing Restaurant Share

Of the approximately 800,000 restaurants, pubs, and bars in Western Europe, many are neighborhood restaurants found in residential quarters owned by breweries and leased to individual operators. With a decrease in alcohol consumption, their numbers are expected to decline.

Source: Charles Fessel & Partner AG

The Chain Scene

Compared to the U.S., Europe has an extremely small number of chain restaurants, indicating that there is great room for chain expansion.



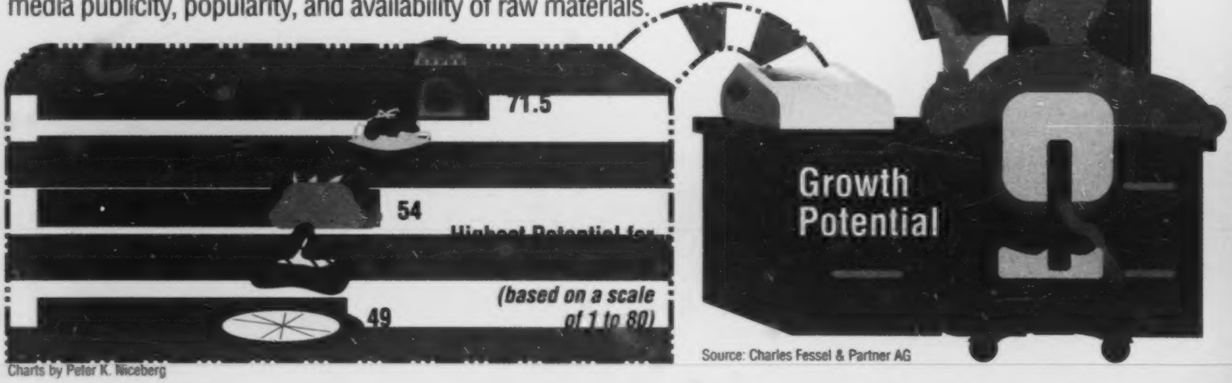
Where the chains in Europe are:

Source: Charles Fessel & Partner AG

Number of chain restaurants as % of all restaurants:

Europe	1.6%*	* excludes pubs
U.S.	40%	

Calculations for growth potential for chain development in Europe over the next 10 years were based on such factors as projected financial success, guest acceptance, media publicity, popularity, and availability of raw materials.



(based on a scale of 1 to 80)

Source: Charles Fessel & Partner AG

Charts by Peter K. Niceberg

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Cover illustration by Marvin Mattelson.

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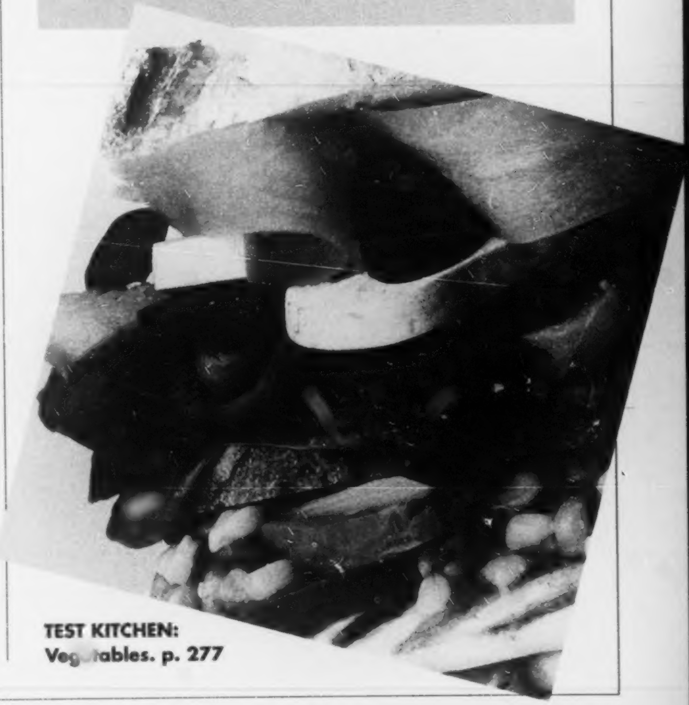
MARKET SEGMENT REPORT PIZZA. This segment continues to grow—by some estimates it's a $20 billion market—with much of the growth being fueled by the convenience of delivery. The top three chains—Pizza Hut, Domino's, and Little Caesar Enterprises—are all growing so rapidly that many regional chains and independents are feeling the pressure.

DRAFTS, CARAFES, & SPIRITS LOW/NO-ALCOHOL. With increasing consumer concern about the effects of imbibing too much and DWI laws, it pays to be able to serve a few alternatives. This article offers recipes and merchandising tips.



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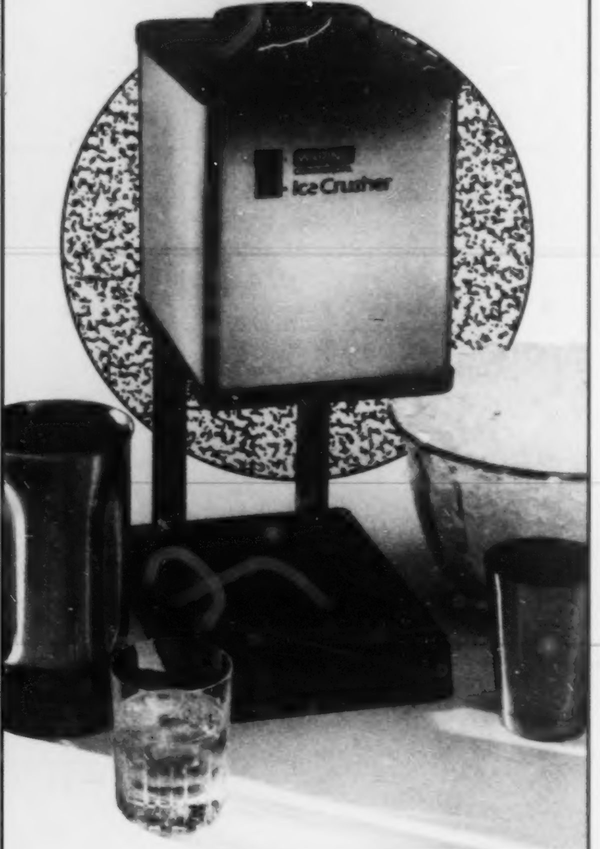

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Hotel News: Good and Bad

First, the good news: Despite the economic downturn in the hotel industry, hotel development costs increased only 1% in 1990. And in some parts of the country where the recession was more severe, construction costs for new hotel projects actually declined. For the first time in 15 years, one of the major development components—land costs—fell about 10%. The figures were compiled by Mineola, NY-based Hospitality Valuation Services Inc., based on its latest annual hotel development cost survey.

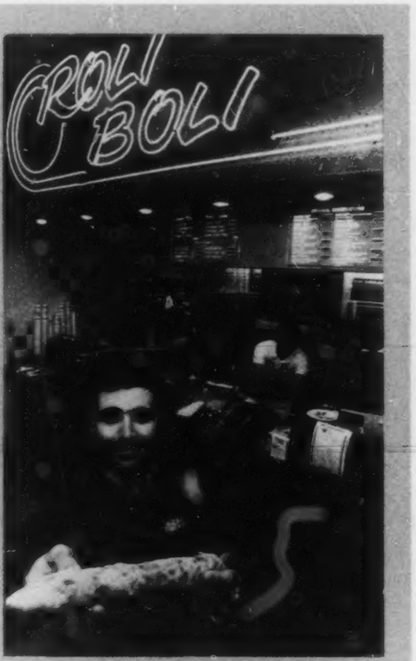
Now the bad news: Because of the recent overbuilding in the hotel industry, says president Stephen Rushmore, "No companies are developing. Therefore, this favorable increase is going unrealized."**–M.A.**

It's a Roli Boli

Malls are filled with new and different merchandise, and so are mall food courts. Take the Boli, served in Roli Boli units in several food courts on the East Coast. It's a rolled stuffed sandwich made with French bread dough—similar to a calzone. Customers choose stuffings from a "Boli Bar," and then the concoction is baked—in a Bolitron, naturally.

Roli Boli encourages the daunted to commit to its favorite three: the "Yuppie Boli," made with lobster, artichoke hearts, eggplants, asparagus, and mozzarella; the "Super Boli," with sausage, pepperoni, meatballs, mushrooms, peppers, onions, olives, and mozzarella; and the "Veggie Boli," which comes with spinach, mushrooms, onions, peppers, and mozzarella. They cost between $3.50 and $5.50.

"We live in an age of specialization," says Italian-born Roli Boli founder Anthony (Tony) Felicetta, 28. "We are going to be the next East Coast tradition—sort of like the Philadelphia steak sandwich." Felicetta's franchise chain is based in Sayreville, NJ. The first of five franchises opened last year. Eight more are slated to open by year's end.**–Marilyn Alva**



Tony Felicetta shows off the Boli sandwich in one of his Roli Boli units.

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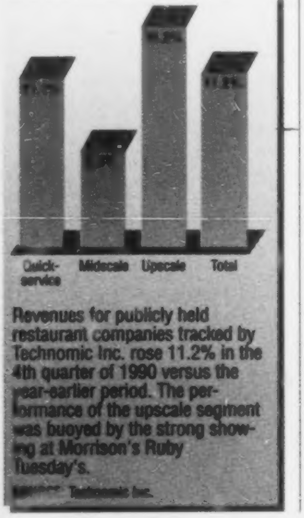
CHART BY SHARI FANG

4th Quarter Revenues, Public Companies



Revenues for publicly held restaurant companies tracked by Technomic Inc. rose 11.2% in the 4th quarter of 1990 versus the year-earlier period. The performance of the upscale segment was buoyed by the strong showing at Morrison's Ruby Tuesday's.

[illegible] Technomic Inc.

Water Pinching In California

The well-publicized water shortage in parched California has taken its toll on restaurant operators, whose response to the crisis has varied by region.

Water problems are the most severe in the Central Coast areas and in Southern California, where the state recently cut water supplies to the City of Los Angeles by 50%.

In the Santa Barbara area, where the water shortage reached the critical stage two years ago, restaurateurs have had to develop contingency plans well ahead of operators in other parts of the state.

"We've become old hands at conserving water," reports Ed Galsterer, director of public relations for The Four Seasons Biltmore Hotel, a waterfront property in Montecito in Santa Barbara County. "We only provide water on request to patrons, and we don't run dish machines unless they are absolutely full."

In addition, instead of planting flowers and trees that have high water requirements, The Four Seasons has used plants, trees, and flowers that are native to the area and require less water to thrive.

At John Dominis Restaurant in Newport Beach, located in Orange County some 50 miles south of Los Angeles, office manager Kay Gagnan reports, "We serve water only on request, and we've stepped up our inspections for water waste in all areas: the rest rooms, kitchens, and laundry."

At California Pizza Kitchen, which operates 10 restaurants, most of them in the Los Angeles area, vice president Don FitzGerald says, "We've refitted the rest rooms with water-saving faucets, and fixed the toilets so they require less water as well. It is a real tightrope to walk because so much water is necessary for the proper operation of a restaurant."

Operators say customers are being supportive. "The whole issue has been so well publicized that people are willing to make sacrifices," says FitzGerald. "They generally don't ask for water unless they really need it."**–Kevin Farrell**

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In cups, cones, and sundaes, soft-serve, nonfat frozen yogurt is boosting sales at Dairy Queen units.

DQ: Frozen Yogurt and More

While the restaurant industry in general has been flat or down, Minneapolis-based International Dairy Queen (IDQ) stores experienced increased sales systemwide largely through a product it has not been traditionally known for: frozen yogurt.

The nonfat, cholesterol-free soft-serve frozen yogurt line was rolled into the system last year in more than 3,000 of 5,000-plus units. The yogurt is available in cones, cups, sundaes, waffle cones, and the signature Breeze, which is a yogurt rendition of the ice cream product, the Blizzard, with cookie and candy ingredients.

Financial results? Revenues for 1990 increased 11%, to $283.1 million from 1989's $255 million.

"We found that we attracted more customers as a result of the introduction," says Dairy Queen president Mike Sullivan. He said the chain has now started looking more closely at adding other healthy items, such as grilled chicken sandwiches and all-vegetable oil for fried foods.

Sullivan cited two other reasons for the increase: the first full year of the IMAGE (Improved Marketing and General Enhancement) program and the continued strategy of trying to increase profits in existing stores rather than building new ones. Dairy Queen began the IMAGE program in late 1988 to give franchisees special incentives to improve their facilities and increase marketing contributions. Incentives include partial rebates on service fees if sales increase in the store. So far, the program is operating in more than 350 units. Plans are underway to expand the program by the end of 1991.

While major emphasis is on existing stores, IDQ has also entered new markets through acquisitions and conversions.

For instance, the company signed a license agreement last September with Louisville, KY-based Druther's International Inc. that facilitates the conversion of Druther's restaurants to Dairy Queens. About 100 Druther's are expected to be converted by the end of 1991. In addition, the first European Dairy Queen stores are opening this year in Italy.**–Lori Barker**

Finding Good Help: It's Getting Harder

Think it's been tough finding qualified applicants to fill entry-level positions? Most employers think it will be even harder to attract good workers this year than ever before.

That's the bad news gleaned from a survey just released by Innovative Management Concepts, a management consulting firm based in Louisville, KY, that specializes in strategies for recruitment and retention. Personnel and human resources representatives from 40 organizations, half of them employing more than 1,000 people, were surveyed to find out their perceptions about the current worker pool.

Although most respondents indicated that their hiring needs would be about the same as last year, fully 55% felt that openings would be harder to fill in 1991 than they were in 1990.

Among the most difficult slots to accommodate, according to survey results: unskilled, entry-level positions such as foodservice workers, along with secretary and clerical jobs.

Despite these problems, the survey also revealed that few employers are resorting to nontraditional recruitment techniques, such as direct mail, telemarketing, and radio and TV ads, relying instead upon walk-ins, classified ads, and employee referral for their personnel needs.

In addition to using a variety of sourcing methods, Catherine D. Fyock, president of Innovative Management Concepts, suggests executives employ the following strategies in dealing with employment needs and problems:

- Look to nontraditional markets, such as the aged and the handicapped;
- Track staff on a cost-per-hire and turnover basis to determine the effectiveness of recruitment sources; and
- Maintain an emphasis on recruitment and retention, rather than just replacement of employees.**–Joan Lang**

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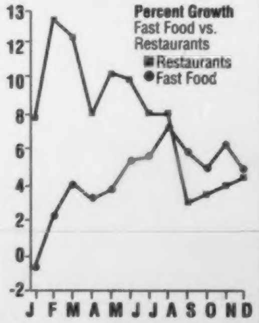
1990 Monthly Sales Growth



DATA POINTS

	Fast Food	Restaurants
January	7.0%	-1.3%
February	12.8	1.6
March	11.8	3.6
April	7.5	2.5
May	9.8	3.1
June	9.4	4.8
July	7.3	5.0
August	7.5	6.8
September	2.4	5.3
October	2.8	4.3
November	3.3	5.7
December	4.0	4.4

For the first three quarters of 1990, fast-food sales growth outpaced that of restaurants; for the last quarter, however, restaurant sales growth surpassed that of fast food.

SOURCE: U.S. Department of Commerce/Technomic Inc.

CHART BY SHARI FANG

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No Free Lunch

The free lunch is over. At least, it's over at two major hotel chains, Marriott Hotels & Resorts and Wyndham Hotels. Executives of the two chains announced at a recent gathering of the International Forum of Corporate Hotel Food and Beverage Executives that they were abandoning the traditional industry policy of free meals to hotel employees. There were noticeable comments of disbelief.

But William Hulbert, vice president of food and beverage operations for Marriott Hotels & Resorts, and Dieter Kadoke, regional vice president of food and beverage for Wyndham Hotels, defended their company's decisions as fiscally responsible moves.

Hulbert said Marriott's move came as a direct result of the chain's efforts to improve cash flow. Dallas-based Wyndham Hotels was searching for ways to cut expenses without touching "guest-related" services, explained Kadoke.

"How you do it is as important as what you do," says Hulbert.

According to Kadoke, the end to free meals went into effect last month, replaced by a meal program that charges employees approximately $2 each. The savings for 1991 should result in a hefty $2.5 million straight to the bottom line. "We feel the quality of the meals we provide for the employees will be worth the $2 we will charge," he says.

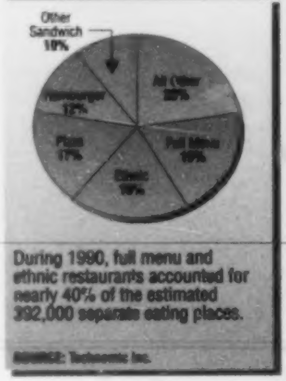
It is too soon to predict whether other major chains will follow suit. But if the two companies report substantial savings with little staff resentment, it will be hard to argue the case for free meals.**–Denise Brennan**

The Truth About Heavy Buyers

While conventional wisdom holds that "heavy buyers" (or "heavy users") are the target market of choice, Westport, CT-based Yankelovich Clancy Shulman (YCS) research reveals that they are frequently the worst targets to go after.

How's that? YCS says heavy buyers are often firmly attached to their favorite products or vendors and hold negative attitudes toward competing entries. Also, they fail to control the purchase decision in their household or corporation and are expensive to reach with mass media, direct response, and/or a sales force. Heavy buyers are so beleaguered with sales pitches from just about everyone that another (yours?) wouldn't likely make a difference.**–J.L.**

1990 Share of Eating-Place Units



During 1990, full menu and ethnic restaurants accounted for nearly 40% of the estimated 392,000 separate eating places.

SOURCE: Technomic Inc.

CHART BY SHARI FANG

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Women's Forum Plans National Conference

"Women managers and those on the way up often experience difficulty in gaining recognition for their contributions and their value in the workplace," says Edna Morris, president of The Women's Forum for Foodservice Executives and senior vice president of human resources at Hardee's Food Systems Inc. "Our first annual AWARE Conference will examine this problem and make some concrete suggestions for solving it." AWARE stands for Advancing Women As Restaurant Executives.

The conference, which will be held in San Francisco, will open October 10 with a reception followed by networking dinners at women-owned restaurants. Participants will then be invited to attend four Career Advancement Sessions headed by speakers from the foodservice industry.

The conference will take place at the Sir Francis Drake Hotel at Union Square. Registration fee is $200 per registrant and $100 for each additional person from the same company. For further registration information, call or write: The Women's Forum [illegible] Foodservice Executives, National AWARE Conference, c/o *RB*, 633 Third Avenue, New York, NY 10017, 212-984-2330.**–Norma Vavolizza**

SOUND OFF TALLY

Does the restaurant industry burn out people?

The majority of our readers demonstrated through their responses that they think the restaurant industry does burn out people. For more reader input on this sensitive subject, see "Letters to the Editor," p. 14. Final results:
YES! 66.6% ***NO!*** 33.3%

Reader comments:
NO! "I agree with Danny Meyer, proprietor of Manhattan's Union Street Cafe, when he says poor management burns people out. Managers who can't profitably operate a unit or units without working 70-plus hours per week don't belong in that position." (Mike Hartwick, franchise consultant, Freshens Premium Yogurt, Atlanta.)

YES! "I have been managing restaurants for 10 years, averaging 70 to 80 hours a week. I've had it! I am looking for a job in a related industry." (Name withheld upon request)

"Every company is different. Flexibility on work schedules and procedures would reduce turnover and burn out." (David Roszal, manager, Arby's, Hopkinsville, KY)

REPORT

ICE CREAM & YOGURT

Overexpansion has shaken up some chains.

By Jacque Kochak

The ice cream and frozen yogurt segment is in tumult. Well, at least part of it is. Ice cream chains and independents may be well-established and fairly stable, but the same cannot be said of their frozen yogurt counterparts.

In fact, the boundaries of the yogurt segment, though always porous, are disintegrating. As operators try to fend off intense competition, they're adding baked goods and even salads to their menus, while at the same time looking for new outlets in sporting arenas and employee cafeterias. Small regional chains are merging, larger chains are gobbling up competitors, and shops aplenty are being shuttered altogether.

The S-word—shake-out—is heard frequently among beleaguered yogurt executives. "People have been talking about a shake-out for four or five years, and it's happening," says Richard Nicotra, co-founder of New York's Everything Yogurt. "Those with good management and clear-cut marketing goals will survive."

While ice cream is perennially popular, all the recent excitement has focused on yogurt. In 1985, retail frozen yogurt sales amounted to less than $200 million; last year, they were said to top $1.2 billion.

Since the public's taste for frozen yogurt seems to be growing, you might wonder what the problem is. Actually, there are several.

First, as so often happens in franchising, overexpansion has occurred. Simply put, units have opened faster than demand has warranted. Franchising veterans say this is normal. "We're certainly not seeing the death of an industry, just a settling out that is completely normal in a quick growth franchising area," says Michael Seid, president of East Windsor, CT-based Malibu Magic Franchising Corp. "You either put your head down and weather the shake-out, or you look for new opportunities."

On the other hand, this "normal" growth phase has come right up against a recession. "Yogurt is recession-proof, but franchisees are not when the lines of credit and venture capital start drying up," says Ken White, president of Winston-Salem, NC-based Zack's Famous Frozen Yogurt.

Frozen yogurt is also a commodi-

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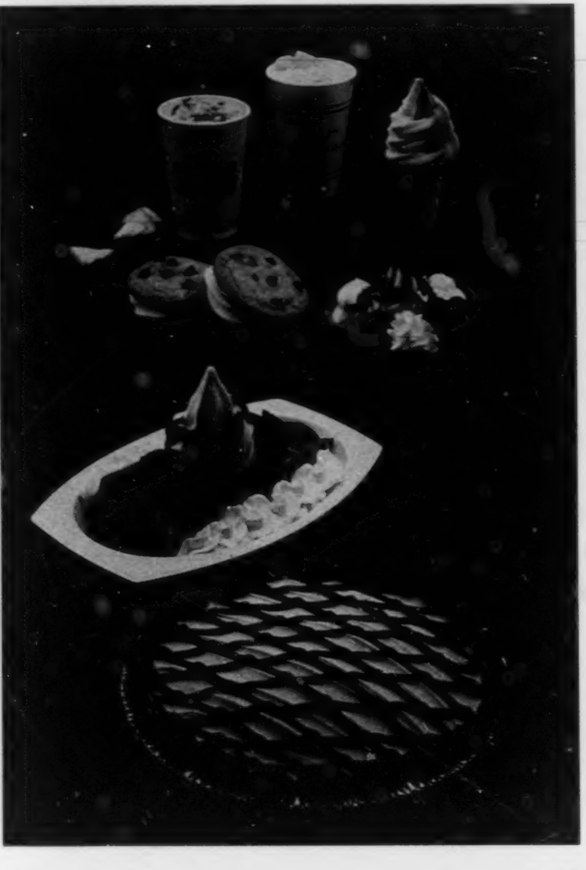
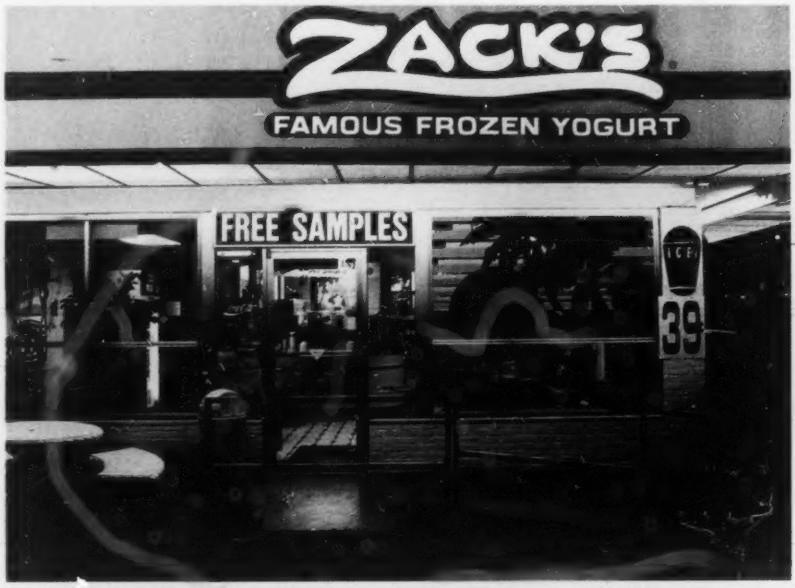


TCBY markets a variety of yogurt products, including shakes, sundaes, splits, novelties, pies, and cakes.



Zack's Famous Frozen Yogurt is undergoing many changes, including new lighting, signage, and interior decor.

McDonald's introduction of a frozen dessert has rocked the segment.

ty. You don't have to go to TCBY to get it; McDonald's has frozen yogurt, so does International Dairy Queen, perhaps even the local bake-shop. In fact, Oak Brook, IL-based McDonald's introduction of frozen yogurt—in its 9,000 units—has rocked the segment quite significantly.

"I think McDonald's and Dairy Queen will expand awareness of frozen yogurt," says Mimi Hurst, vice president of communications for Little Rock-based TCBY. "We won't have to educate customers about frozen yogurt anymore. Now we can narrow our focus and work on differentiating TCBY's yogurt from everybody else's."

Others in the yogurt business aren't so sure the hamburger giant means to be so helpful to their cause. "In the real world, David doesn't slay Goliath very often," says Zack's White.

With 1990 sales of $2.2 billion, Minneapolis-based International Dairy Queen now has 65% of its 4,622 units selling frozen yogurt. The non-fat, cholesterol-free product is different from most, because a vanilla base is used. Into that base are blended fresh fruit and candy—such as strawberries, blueberries, or crumbled Heath bars—to make a Breeze. It's the same thing as a Blizzard, except ice cream is replaced by yogurt.

In test marketing, the Breeze met a requirement for producing 10% of dessert sales and 5% of overall sales, says IDQ vice president of marketing Gary See. The product, he adds, "held up very well over the winter."

IDQ settled on a no-fat product in order to differentiate the yogurt from its low-fat soft-serve ice cream. McDonald's frozen yogurt, by contrast, is 3% butterfat. "But people buy the Breeze because of the taste, not for nutrition," See insists.

To promote its frozen yogurt line, Dairy Queen has offered trial coupons and run generic advertising, but there has been no heavy discounting so far. Soft-serve sales continue to be strong, says See, with the Blizzard garnering the majority of advertising dollars. Since frozen yogurt was introduced, Dairy Queen has seen 6% sales increases in stores with yogurt, compared with 2% sales gains overall.

"There has been some cannibalization, and there will continue to be, but not as much as one might think because we're reaching a new base of customers," says See. Out of IDQ's 5,209 stores worldwide, only five are company-owned. Of U.S. stores, 1,128 are classified as soft-serve-only. Some 3,442 offer burgers, fries, hot dogs, and other fast food; 52 are Treat Centers, which combine Dairy Queen with Karmelkorn and Orange Julius in mall locations.

Because many Dairy Queen units are aging, the company provides incentive for remodeling, whereby franchisees can get a partial service fee rebate for increased sales resulting from a refurbishing. That might be anything from adding drive-thru windows or solariums to tearing the building down and erecting a new one. The incentive is offered on a market-by-market basis; 65% of all stores in a given market must agree to participate.

GROWING PAINS. TCBY Enterprises Inc., is the largest frozen yogurt specialist, with 1,847 franchised, licensed, or company-owned stores in every state and six foreign countries. Founded as a single Little Rock unit in 1981, TCBY sales reached $135 million last year, a 2% gain over 1989. Total systemwide sales increased 14% to $344 million, from $303 million in 1989.

But there's plenty of bad news here too. Franchising revenues declined 16% in 1990, and the company's net income was down 32%. Though 383 units

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ICE CREAM & YOGURT

opened in 1990, 118 failing operations were closed, netting the chain 265 new units.

Some of the decline in profit can be traced to high wholesale milk prices, unusual weather patterns, and several unusual expenses. The more troubling part of the equation, however, was a decline in same-store sales in 1990. Last year, pressured into addressing franchisees' concerns, TCBY cooperated in forming The Country's Best Franchisee Association, a means of improving relations between the company and its 650-plus franchise groups. The result was a national television ad campaign, with franchisees having a say in selecting an agency (Grey Advertising was ultimately selected).

Where product is concerned, TCBY offers a soft-serve frozen yogurt in an array of flavors, including banana macadamia nut, white chocolate mousse, and cappuccino. Servings come in cups or hand-made waffle cones, with toppings ranging from fruits to nuts to candies. Also available are sundaes, banana splits, and the Shiver shake, with toppings blended into the cup of frozen yogurt. New products in 1990 included sugar-free, nonfat soft-serve frozen yogurt, gourmet frozen yogurt cakes, an expanded line of pies, and four versions of the new novelty Yog-A-Bar. TCBY began test marketing a soft-serve Ultra Slim-Fast product, and a new shake—made with TCBY nonfat frozen yogurt and Ultra Slim-Fast powder—was tested in January. The company is also seeking new sales outlets. In addition to marketing TCBY products through retail channels such as large grocery chains, the company is investigating the development of TCBY units in Sears and other retail chains, and outlets at sports arenas. Two Sears outlets are already open.

Most chains have introduced new product lines.

STAYING THE COURSE. Another active contender in frozen yogurt is Dallas-based I Can't Believe It's Yogurt. Founded in 1977 by Dallas college students Bill and Julie Brice, I Can't Believe It's Yogurt is now a 500-unit chain with systemwide sales of $70 million. Bucking segment trends, same-store sales are up 6% over last year, from $207,000 to $219,000.

Dan Corrigan, I Can't Believe It 's Yogurt's vice president of marketing and alternative distribution, offers several reasons for the firm's good fortune, one of which is a selective approach to

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new! ultra-lite
yoglacé
LOW CALORIE
ultra-lite
yoglacé
LOW CALORIE

I Can't Believe It's Yogurt's newest frozen dessert product has only 10 calories per ounce.

ICE CREAM & YOGURT

Smaller chains are merging or are being gobbled up by larger companies.

signing franchise and site agreements. In addition, seasoned executives have been hired to run the company. "Bill and Julie Brice made a philosophical commitment to bring in senior management because they knew times weren't going to get any better," says Corrigan, once the vice president of marketing for Dublin, OH-based Wendy's International. I Can't Believe It's Yogurt's chief operating officer, Rick Postle, was Wendy's executive vice president.

"There are a lot of frozen yogurt companies out there just hanging on by their fingertips," says Corrigan. "Their franchisees need more help than ever, but they just don't have the money." In contrast, I Can't Believe It's Yogurt this year has committed an additional $450,000 to its national marketing fund, above and beyond the 2% contributed by every store.

Early last year, I Can't Believe It's Yogurt upped its emphasis on marketing. In May, direct-mail pieces were sent to 34 million households, followed up by full-page color ads in *USA Today*. By this month, I Can't Believe It's Yogurt will have already mounted three national marketing campaigns in 1991, more than it did in all of 1990. "That's commitment and foresight," says Corrigan. "We think 1991 will be tough, but we started planning for it last summer."

I Can't Believe It's Yogurt's newest product is Yoglacé, a 10-calorie-per-ounce frozen dessert available in Belgian chocolate, Swiss vanilla, and Bavarian swirl. To complement Yoglacé, I Can't Believe It's Yogurt has also introduced a 125-calorie sundae made with low-calorie hot fudge and chopped nuts. Also new is a sugar-free chocolate chip topping.

Like others, I Can't Believe It's Yogurt is taking tentative steps into nontraditional markets. The company is providing frozen yogurt to coach passengers aboard select American Airlines flights. Currently offered on select dinner and light-lunch flights, the 3.5-oz. hard-packed frozen yogurt is available in vanilla with chocolate ribbon, chocolate with a marshmallow ribbon, strawberries and cream, and cookies and cream.

TURBULENT TIMES. Another contender in the yogurt fray, Staten Island, NY-based Everything Yogurt has 338 units in 38 states. Everything Yogurt, too, is working to strengthen its management team. Co-founder Richard Nicotra explains that, having brought the company to this level, "We think we need someone from the outside, someone with a different eye, to look at us and see how we can do better in the turbulent '90s." That somebody is the company's newest chief operating officer, Tom Romano, formerly president of Gino's Restaurant Division before it was sold to Marriott Corp.

"We're looking at the way we sell yogurt, the way we do toppings, the way we present our salads, and the overall corporate structure," says Nicotra. He insists Everything Yogurt is not experiencing difficulties, and that sales are up. The company will open 25 to 30 units this year. "Nevertheless, the '90s are going to be harder than the '80s. But that means different opportunities. Change is important."

Everything Yogurt boasts what are quite possibly the highest unit volumes in the frozen yogurt segment—sales are reported to average $400,000 per unit. One store, in midtown Manhattan, is said to post $1 million in sales annually. Nicotra attributes the chain's success to careful site locations and regular changes to the product mix. "Otherwise, we couldn't make it through the winters," he says.

In addition to frozen yogurt special-

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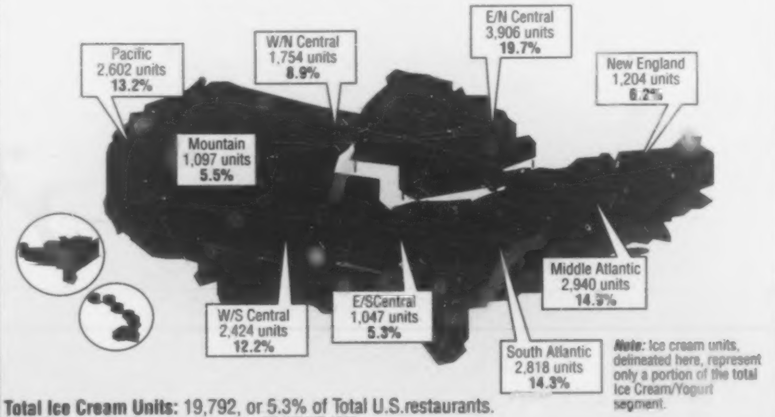
WHO SCREAMS FOR ICE CREAM?

Ice Cream Unit Distribution by U.S. Census Regions



Note: Ice cream units, delineated here, represent only a portion of the total Ice Cream/Yogurt segment.

Total Ice Cream Units: 19,792, or 5.3% of Total U.S.restaurants.

SOURCE: *Restaurant Consulting Group Inc., RE-COUNT 1990*

CHARTS BY SHARI FANG

ICE CREAM & YOGURT

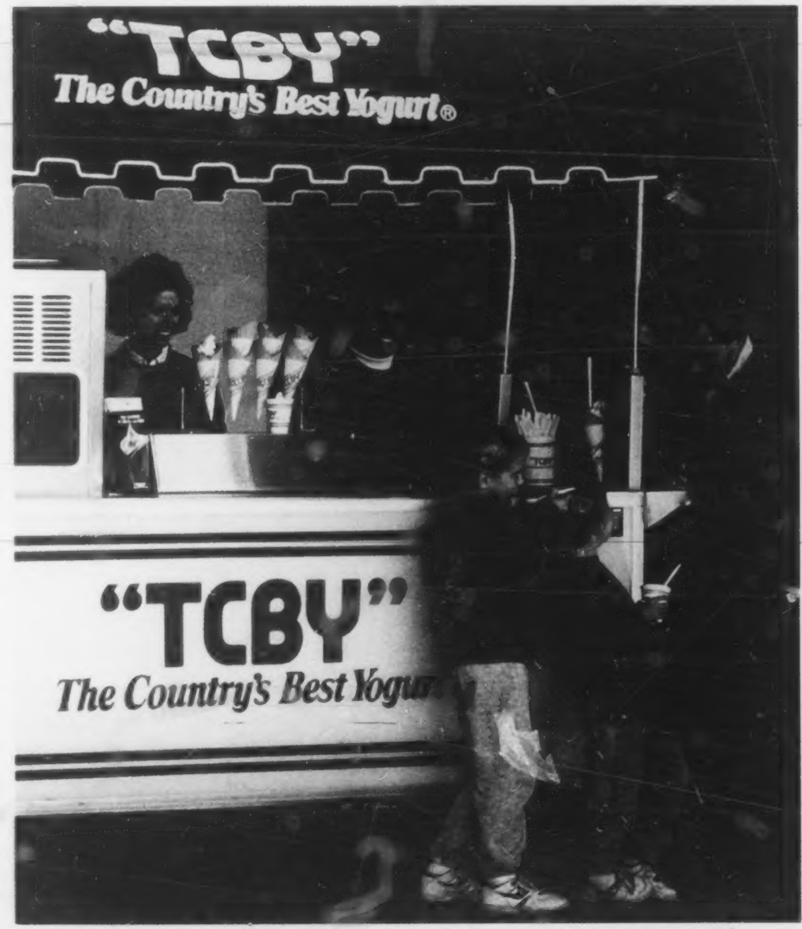
ties, the typical Everything Yogurt offers a full line of entree salads and quiches. Many units operate in tandem with another concept called Bananas, which offers fresh fruit drinks.

With some 200 units, Zack's Famous Frozen Yogurt is undergoing massive change. Formerly based in Metairie, LA, Zack's was purchased last March by its largest master franchisee. Company headquarters were moved to Winston-Salem, NC, in January.

"We were franchisees, so the first thing we did was sit down with other franchisees to ask them what they needed," says Zack's new president, Ken White. "They were looking at declining same-store sales and store closings. We had to give the franchisees the tools for success." Franchisees' ideas were pooled to create what the company calls a "super" Zack's, with gourmet coffees, baked goods, and a beverage bar. Signage has been revised, lighting changed, and interiors redesigned.

Also new is the Zmoothie, a frozen yogurt drink designed to double as a lunch or light dinner; it is directly aimed at health-conscious consumers. Made of frozen yogurt, fresh fruits, natural fruit juices, milk protein, amino acids, and complex carbohydrates, Zmoothies are available in a variety of calorie-counts. For example, the Challenger substitutes as a light lunch. Made from orange juice, bananas, honey, strawberries, turbinado sugar, yogurt, carbohydrates, and protein powder, the Challenger weighs in at only 212 calories. On the other end, the Hercules, with banana, egg, Weight Gain, turbinado sugar, protein powder, honey, pecans, brewer's yeast, and yogurt, weighs in at 859 calories and appeals to body-builders.

Five Zack's units have already been refurbished, with 15 more in progress. By the end of the year about 40% of all units will have completed their facelift, which costs less than $10,000 per unit. The changes, says White, have had a "frightening" impact. Sales, he says, are up 40% to 50% at some units.



TCBY Enterprises Inc. is the largest player in the frozen yogurt category with 1,847 units. The company is looking for new retail outlets such as this kiosk.

Zack's, too, is seeking nontraditional distribution channels. Through a pilot program in tandem with a Winston-Salem deli operator, Zack's is providing frozen yogurt to Sara Lee's employee cafeteria.

REGIONAL PLAYERS. The histories of a couple of smaller, regional frozen yogurt chains illustrate the challenges facing all operators today. One is Malibu Magic Franchising Corp., which oversees 100 franchised units primarily in the Northeast (some are in California and Florida). Established in the mid-'80s on the West Coast, Michael Seid acquired Malibu Magic in 1989. He set up a franchising company just in time for the shake-out.

While continuing to provide strong support to existing franchisees, Malibu Magic is diversifying into far more than the franchising of shops. A key part of this diversification is the leasing of product, equipment, training manuals, and signage to locations such as stadiums, ball parks, and restaurants. "I think that frozen yogurt will follow the

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same path that ice cream did," says Seid. "You can buy ice cream anywhere." Malibu Magic provides a base product flavored with either vanilla or chocolate, along with 57 concentrates for ease of inventory. The company is aggressively pursuing international franchising, with discussions underway as far away as Saudi Arabia and the Pacific Rim. Under the franchise agreement, Malibu Magic franchisees are allowed to provide equipment and product to local ballparks and stadiums.

Supermarkets, selling packaged products, are now competitors.

Perkit's Yogurt, originally based in Atlanta, has also gone through major change. The 20 units, all franchised, were bought in August of last year by the 10-unit Ronzio's pizza chain, in Rhode Island. The company's president, Julian Angelone, says he eyed Perkit's because it had been touted as an up-and-comer experiencing difficulties. "Perkit's had a lot of problems," says Angelone. "There just aren't a lot of one-item companies doing well today." After buying Perkit's, Angelone closed 13 units. Now he's actively looking to merge with another company.

ICE CREAM INNOVATORS. The history of the ice cream segment may provide clues to frozen yogurt's future: A few major companies are left, with strong regional chains and independent shops providing worthy competition. Among traditional ice cream purveyors—Glendale, CA-based Baskin-Robbins and Wilbraham, MA-based Friendly Restaurants come to mind—the emphasis is on product innovation as a means of staying competitive.

BRESLER'S
ice cream & yogurt
BRESLER'S
ice cream & yogu
BRESLER'S
ice cream & yogurt

The Bresler's ice cream chain now also offers frozen yogurt and low- and no-fat frozen dessert products.

Baskin-Robbins operates 3,318 units—2,278 domestic, 1,040 international—almost all of them franchised. (Privately held, the company doesn't divulge sales.) Although the customer can get ice cream just about anywhere—with the major competition coming from supermarkets—they go to a Baskin-Robbins for the product and experience. Marilyn Novak, Baskin-Robbins' director of market services, sees a continued emphasis on "lite" frozen desserts, whether they be fat-free, sugar-free, or frozen yogurt.

Baskin-Robbins offers sugar-free and "lite" ice cream in all its stores, as well as low-fat and fat-free yogurt in 1,600 units. "The interesting thing we have seen is that when a store adds frozen yogurt, ice cream sales actually increase," says Novak. "Now there is something for everybody, and we see more and more families returning." The company introduced a low-fat product in 1987, a no-fat product and soft-serve sorbet in 1988, a sugar-free product in 1989, and a 97% fat-free product last year. Also available are novelty "lite" bars, novelty sundae bars, and new ice cream sandwiches called Chilly Burgers. The company's marketing theme this year is "Now There's More to Love Us For."

Friendly Restaurants, with sales of more than $500 million, has 800 company-owned restaurants. Friendly has been in business for 56 years and in

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ICE CREAM & YOGURT

Retails sales of packaged products are a revenue source for some chains.

that time has weathered a storm or two. Today, ice cream generates about 35% of sales, with the rest coming from lunch and dinner.

The most significant factor affecting Friendly is the new aggressiveness and skill with which supermarkets are promoting ice cream, says vice president of sales and marketing for the foodservice division John Sauve. In the past two years, Friendly has been selling prepackaged half-gallons through supermarket outlets, and in the last year that effort has increased. Today, Friendly ice cream is sold through some 1,000 supermarkets, mostly in the Northeast.

"About 90% of all ice cream purchased for home consumption comes from the supermarket," says Sauve. "We want to increase our distribution network, and at the same time increase awareness of Friendly restaurants." The company is also looking at selling its product through established contract caterers. For example, slices of Friendly ice cream pie might be sold in employee cafeterias. Or, ice cream sundae cups can be sold at colleges and baseball stadiums.

Friendly continues to work with frozen yogurt (both low-fat and no-fat). The company's newest product is a line of pre-packaged half-gallon Ice Cream Shoppe Sundaes, which come very close to duplicating the flavors of popular sundaes. Sundae selections include Rocky Road, Heath Candy Shoppe, Fudge Nut Brownie, and Banana Royale. When the customer opens a half gallon of Banana Royale Sundae ice cream, he sees a band of what looks like strawberry ice cream, a band of banana-flavored ice cream, and a band of chocolate with walnuts. "He just adds whipped cream and a cherry," says Sauve. "Ice cream is a fun product. You've got to have fun with it. You've got to remain innovative and exciting."

SLEEPING GIANT. With 642 units and systemwide sales of $170 million, Yonkers, NY-based Carvel Corp. has been a sleeping giant for years. Founded by Tom Carvel, the company was acquired in late 1989 by Investcorp, a private investment firm with a reputation for turning troubled companies around.

While never in financial straits, Carvel has had serious problems both with franchisees and the New York Attorney General's office, which charged Carvel with forcing franchisees to buy all supplies from Carvel—at inflated prices. Those charges were never proven, and now

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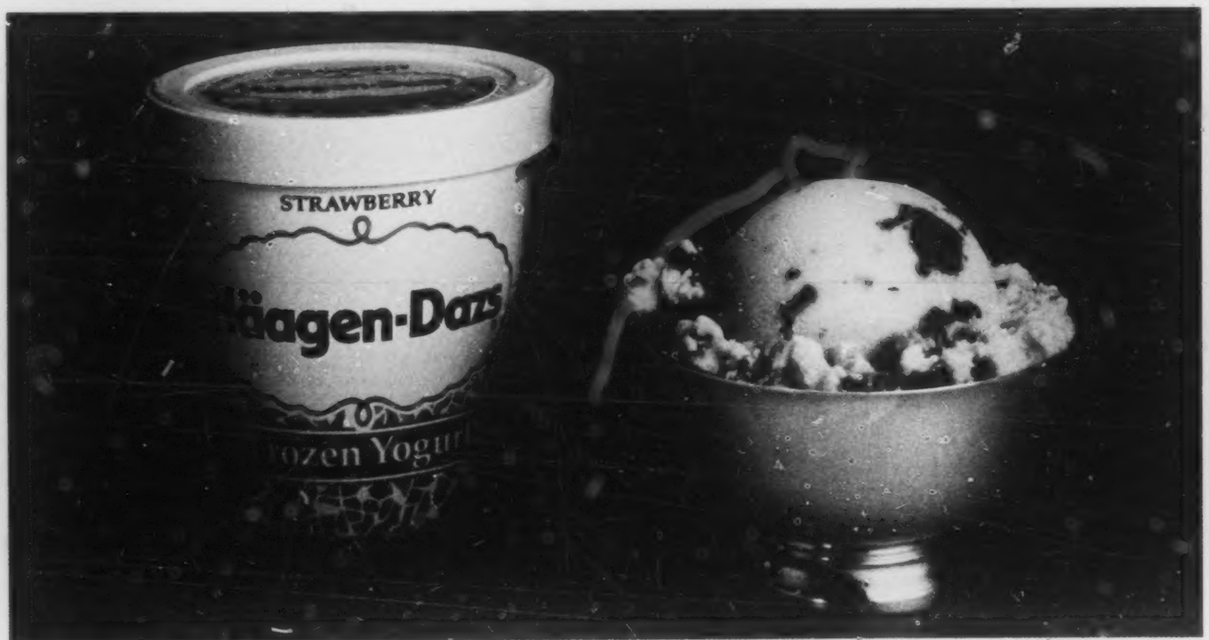


Super-premium ice cream chain Häagen-Dazs now offers a line of super-premium frozen yogurt.

ICE CREAM & YOGURT

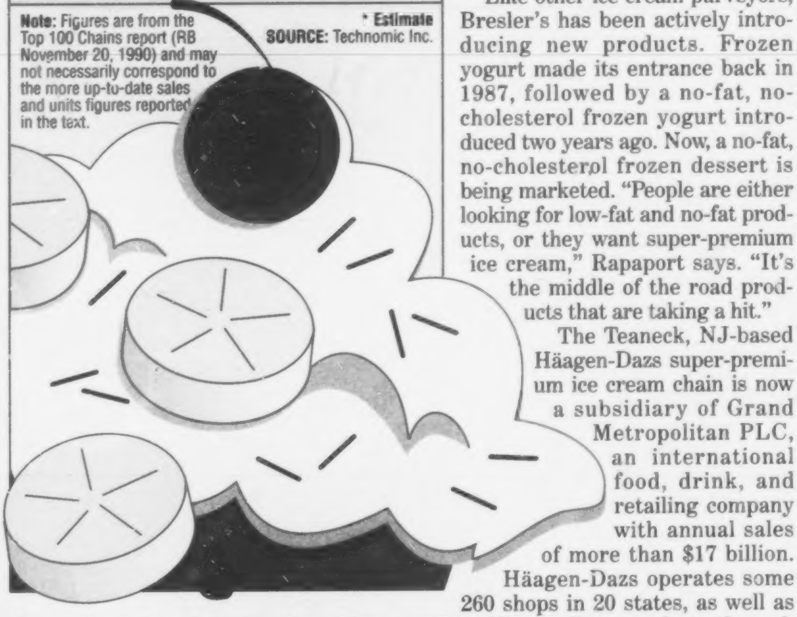
TOP ICE CREAM AND YOGURT CHAINS

	U.S. System Units	U.S. System Sales
Dairy Queen	4,627	$1.96 Bil.
Friendly	823	$572 Mil.
Baskin-Robins	2,354	$485 Mil.
TCBY	1,537	$303 Mil.
Carvel	710	$225 Mil.*
Braum Ice Cream	235	$180 Mil.*

Note: Figures are from the Top 100 Chains report (RB November 20, 1990) and may not necessarily correspond to the more up-to-date sales and units figures reported in the text.

* Estimate

SOURCE: Technomic Inc.



the emphasis is on bringing Carvel into the '90s.

A new management team is now in place. According to vice president of marketing Syl Sosnowski, the company is about to unveil a major repositioning to franchisees. Though he won't yet give details, Sosnowski says the repositioning involves a renaming of the business, a new interior and exterior design, and a completely changed focus.

Des Plaines, IL-based Bresler's is among the most solid ice cream chains. The company oversees 10 company-owned and 250 franchised units in over 30 states. (Privately held, the company does not divulge sales figures.) Expansion plans call for opening about 25 shops this year.

Mike Rapaport, director of marketing at Bresler's, claims that same-store sales had increased every quarter for the past five years—until the fourth quarter of 1990, when sales were flat. In the first quarter of this year, sales appeared to be on the upswing.

Like other ice cream purveyors, Bresler's has been actively introducing new products. Frozen yogurt made its entrance back in 1987, followed by a no-fat, no-cholesterol frozen yogurt introduced two years ago. Now, a no-fat, no-cholesterol frozen dessert is being marketed. "People are either looking for low-fat and no-fat products, or they want super-premium ice cream," Rapaport says. "It's the middle of the road products that are taking a hit."

The Teaneck, NJ-based Häagen-Dazs super-premium ice cream chain is now a subsidiary of Grand Metropolitan PLC, an international food, drink, and retailing company with annual sales of more than $17 billion. Häagen-Dazs operates some 260 shops in 20 states, as well as selling Häagen-Dazs products through grocery and other retail stores.

Although the shops currently account for only 8% of total Häagen-Dazs sales, vice president of marketing Yves Coleon says that the shops are viewed as a major component in building Häagen-Dazs' brand equity and reaching the consumer.

One segment challenge is seasonality.

"We will develop shops aggressively over the next couple of years," Coleon says. "As we enter new markets, we will open more units to support our strategic marketing plan."

He notes that 80% of existing units are located in New York City, Los Angeles, and Miami, giving the company plenty of room for expansion. In addition, the Grand Met strategy is to develop brands on a global basis, and Häagen-Dazs' expansion is being pursued aggressively in the Far East and Europe, according to Coleon.

The biggest news from Häagen-Dazs, which virtually created the market for super-premium ice cream a number of years ago, is the introduction of a super-premium frozen yogurt available through shops and supermarkets. Five flavors are available: vanilla, chocolate, strawberry, peach, and vanilla-almond crunch. Häagen-Dazs' frozen yogurt contains only natural ingredients, without any preservatives, artificial flavors, colors, or additives. The frozen yogurt is 96% fat free, with no stabilizers or gums to maintain the creamy texture.

Häagen-Dazs' aggressive expansion of packaged ice cream and shops is supported by national and spot TV advertising beginning this month, a first for the company. Full page, four-color ads will also begin appearing in national consumer magazines, and a consumer sampling effort will be launched with a goal of reaching—and impressing—one million consumers.

Coleon notes that the overall growth in foodservice frozen yogurt is finally leveling out, with the most growth now coming from sales of frozen yogurt in supermarkets and convenience stores.

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ICE CREAM & YOGURT

That's bad news for many frozen yogurt chains but good news for Häagen-Dazs.

"Häagen-Dazs shops are, in a sense, live billboards for us," says Coleon. At the shops, Häagen-Dazs ice cream is available in cones and cups, and customers are encouraged to create their own sundaes, splits, and ice cream bars. They create an ice cream bar, the customer chooses a vanilla, chocolate, coffee, or vanilla with caramel bar, which is then hand dipped in either dark or milk Belgian chocolate and covered with crunchy toppings.

Most Häagen-Dazs shops also offer custom-made ice cream cakes.

Some chains have expanded their niches by joint ventures with compatible concepts.

Internationally, shops are located in Japan, Singapore, Hong Kong, Germany, the United Kingdom, France, and Canada. The newest shops opened in Leicester Square in London and Place Victor Hugo in Paris.

West Bridgewater, MA-based D'Angelo Sandwich Shops/Chips Ice Cream has found a successful niche by combining an ice cream shop with a sandwich shop. As a result, unit volumes for the 68 shops with both ice cream and sandwiches averages over $650,000—higher than either most ice cream or sandwich shops.

COOL COMPETITION

Segment chains face competition from the many restaurants serving frozen desserts. This is especially true for frozen yogurt, which enjoyed a substantial increase.

Among those restaurants that offer any type of dessert, the percentage serving:

	1987	1989
Hard Ice Cream	67.8%	68.3%
Soft Ice Cream	22.3%	20.9%
Ice Cream Novelties	15.5%	13.2%
Frozen Yogurt	5.6%	11.2%
Sorbet	6.0%	8.3%

SOURCE: RB Research, Dessert MenuMonitor

D'Angelo's was started in 1967 as a sandwich shop. Later, the company became a franchisee of Lindenhurst, NY-based Steve's Ice Cream with the intention of opening combination shops to boost off-hour sales.

"We thought we could add sales without too much added expense," says William Suessbrick Jr., vice president of D'Angelo Franchise Inc., D'Angelo's franchising arm. Both the ice cream side and the sandwich side of the unit are staffed by the same crew, he explains.

When the popularity of frozen yogurt exploded, D'Angelo's decided to open its own concept, because Steve's doesn't serve frozen yogurt, says Suessbrick. Today, a hard-pack frozen yogurt accounts for 50% of Chips' sales. Chips accounts for up to 18% of the average combination shop.

Chips' ice cream flavors range from a candy bar ice cream to orange cream to vanilla fudge brownie. Frozen yogurt flavors include banana, cheesecake crunch, peach, and triple chocolate. Also available are sundaes, frappes, malted frappes, frappe floats, and ice cream floats.

A total of 142 D'Angelos are open, all in New England. A total of 111 are company-owned, with 31 franchised. The company recently began more aggressive franchising, with plans to eventually operate units from Albany, NY, to Virginia.

Burlington, VT-based Ben & Jerry's Homemade Inc. continues its quirky romp into the realm of big business. The counter-culture competitor, begun in a converted gas station in 1978, had sales of only $4 million in 1984. Sales have zoomed to $77 million in the year just ended, according to Lee Holden, the company's public relations coordinator.

The company was started by Ben Cohen and Jerry Greenfield, two ex-hippies. First, they sold ice cream and crêpes from the old gas station; then they found that only the ice cream sold well, and began selling their product to restaurants. After completion of a $3 million factory, Ben & Jerry's started selling through retail outlets up and down the East Coast. In 1988 came a franchising push, and today 90 scoop shops are open along both coasts. Ben & Jerry's has just announced that it is beginning construction of a third manufacturing facility in Vermont.

Ben & Jerry's specializes in a super-premium ice cream, with flavors ranging from chocolate chip cookie dough to chocolate raspberry swirl. Fifteen flavors are available through grocery stores, with another 20 flavors available only in the scoop shops. The shops also offer Peace Pops in five flavors (Heath Bar crunch, vanilla, New York super fudge chunk, Cherry Garcia, and Rain Forest Crunch).

In 1989, Ben & Jerry's put a moratorium on franchising, deciding to focus attention on existing stores. Since then, the only new units opened were opened by existing franchisees. The only exception has been a store in Baltimore run by an organization called People Encouraging People, which

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ICE CREAM & YOGURT

EVERYTHING

Many Everything Yogurt units operate in tandem with a concept called Bananas, which offers fresh fruit drinks.

Optimism abounds for players with differentiation.

hires developmentally disabled individuals and uses profits to sponsor their activities.

The philosophy of caring capitalism has marked Ben & Jerry's from the beginning, and permeates the organization. For example, the company has a policy of developing flavors using ingredients bought from a specific type of supplier. Chocolate fudge brownies are purchased from a baker in Yonkers, NY, run by a spiritual community that hires the disadvantaged and homeless and trains them. Berries for wild Maine blueberry ice cream come from the Passamodquoddy Indian tribe in Maine. And Rain Forest Crunch is made using nuts from the Amazonian rain forest, in order to encourage cash crops dependent on the preservation of the region. Last summer's fresh Georgia Peach ice cream was made from peaches bought only from family farms, and the company is working with Farm Aid to lobby Congress on farming issues to insure that small farmers receive a fair price for their products.

"We want to do business in a way that makes a positive impact on society," says Holden.

Such socially conscious capitalism seems to work for Ben & Jerry's, whose total sales increased by $19 million last year. "We have stockholders and we have to make sound business decisions in order to show a return," says Holden. "But it is also important for us to give something back."

For that reason, 7.5% of pre-tax profits go to the Ben & Jerry Foundation, which distributes grants nationally. Company-funded grants go to groups working on environmental issues, groups working with families and children, and groups working with the disadvantaged.

Scoop shop owners naturally share Ben & Jerry's philosophy, and tend to get involved in community activities. For example, one owner offered "a pint for a pint" program to encourage customers to donate pints of blood. Another donated a percentage from every sundae sold to a local drug rehabilitation organization.

WHAT'S IN STORE? As more and more people become acquainted with frozen yogurt, customer acceptance of what was once a cult food will, of course, grow. But the country's frozen yogurt chains aren't necessarily benefiting—at least not as much as might be presumed. All the major ice cream chains have added yogurt to their menus. And let's not forget about McDonald's foray into the market.

Optimism nonetheless abounds. The segment clearly has room for several major players, differentiated from each other by product quality and variety. As for ice cream operators, they've already been through the hard times. They're the wise old uncles to the frozen yogurt chains, rich with years of experience and stories to tell. Will some frozen yogurt chains diversify to the point that they're no longer primarily in the frozen yogurt business? Maybe, but others will persevere. As Zack's Ken White says, "You want to dance with the one who brought you." **RB**

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MAY 20, 1991
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RB
RESTAURANT BUSINESS

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Norman Brinker,
chairman, CEO, and
Ronald McDougall,
president, COO

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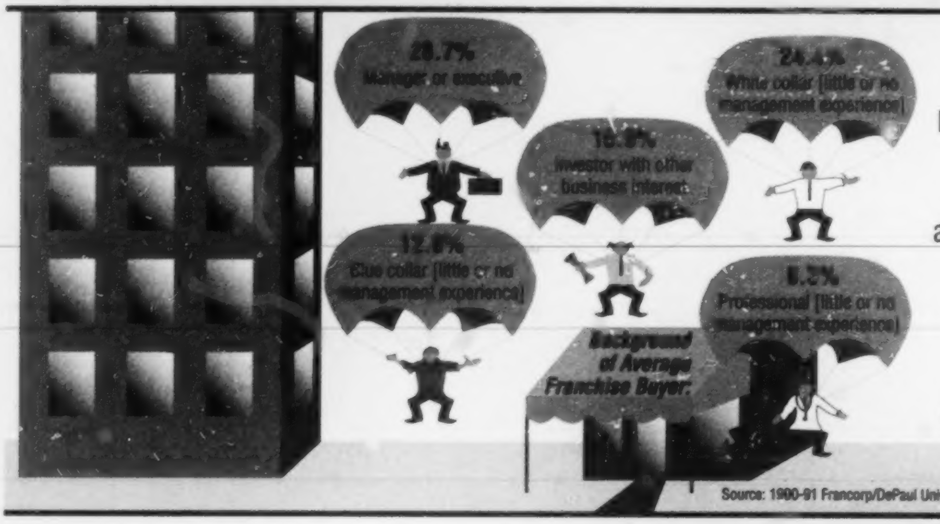
THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER



Franchisees: Who Are They?

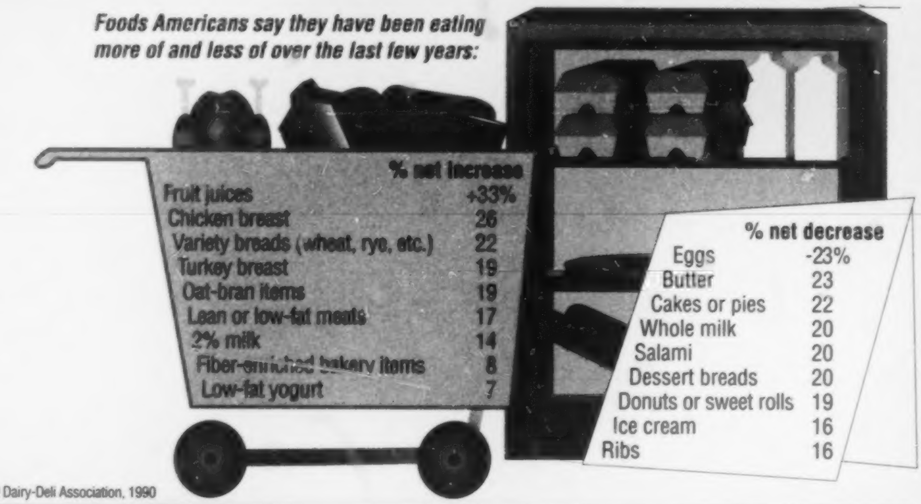
In a study of some 265 U.S. and Canadian franchise companies, about 35% of franchise buyers are now "corporate dropouts" because of the downsizing of U.S. corporations or due to "rat-race escapism."

Source: 1900-91 Francorp/DePaul University Franchise Sales and Marketing Survey

America's Diet

Americans report they have been eating more healthful foods and decreasing their consumption of foods high in fat and cholesterol, according to a nationwide Gallup poll.

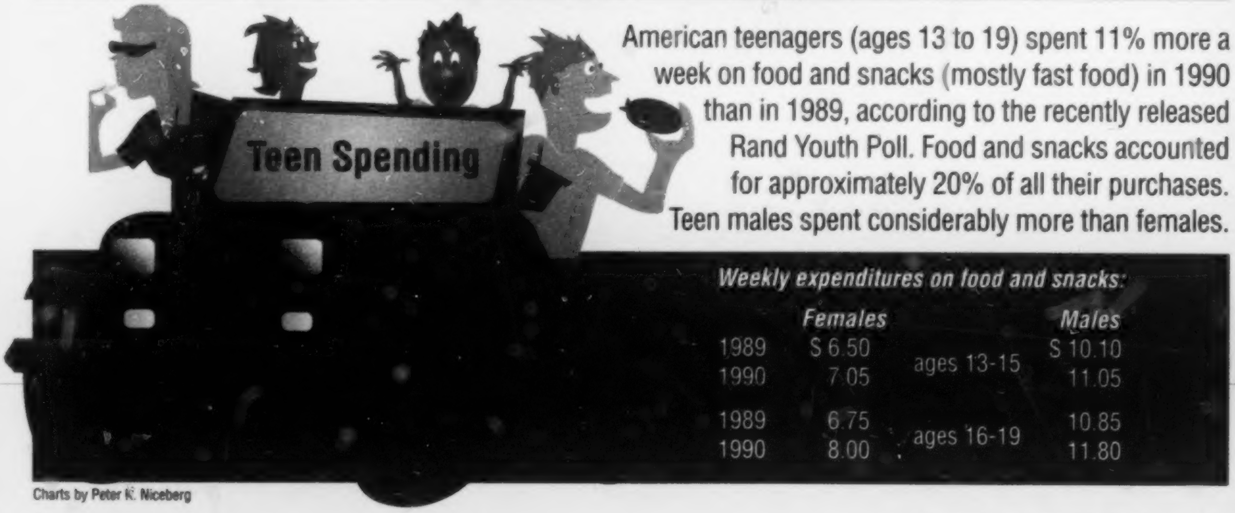
Foods Americans say they have been eating more of and less of over the last few years:



	% net increase
Fruit juices	+33%
Chicken breast	26
Variety breads (wheat, rye, etc.)	22
Turkey breast	19
Oat-bran items	19
Lean or low-fat meats	17
2% milk	14
Fiber-enriched bakery items	8
Low-fat yogurt	7

	% net decrease
Eggs	-23%
Butter	23
Cakes or pies	22
Whole milk	20
Salami	20
Dessert breads	20
Donuts or sweet rolls	19
Ice cream	16
Ribs	16

Source: The Gallup Organization for the International Dairy-Deli Association, 1990



American teenagers (ages 13 to 19) spent 11% more a week on food and snacks (mostly fast food) in 1990 than in 1989, according to the recently released Rand Youth Poll. Food and snacks accounted for approximately 20% of all their purchases. Teen males spent considerably more than females.

Weekly expenditures on food and snacks:

	Females		Males
1989	$ 6.50	ages 13-15	$ 10.10
1990	7.05		11.05
1989	6.75	ages 16-19	10.85
1990	8.00		11.80

Charts by Peter K. Niceberg

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RB AWARDS BUSINESS LEADERSHIP. The editors of *RB* are pleased to announce the recipients of our 1991 Business Leadership Awards. Profiles of this year's honorees are featured **97**

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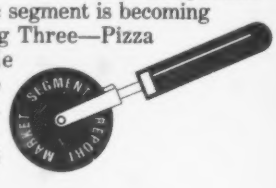

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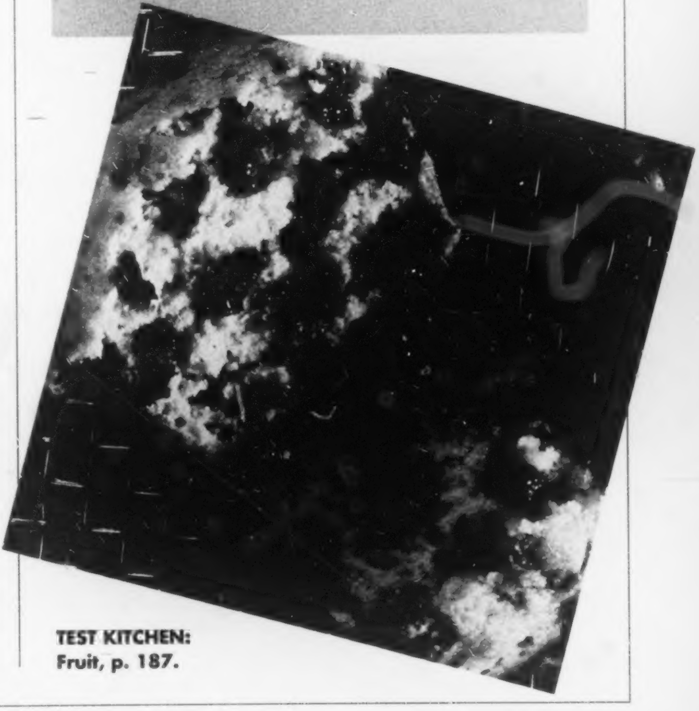
IN THE NEXT ISSUE

COVER STORY UNSUNG ENTREPRENEURS. In this article, we profile a group of industry heroes, those dedicated restaurateurs who have worked long and hard at the trade but who have gone unheralded.

MARKET SEGMENT REPORT SEAFOOD. Fish and seafood continue to be popular with consumers. Because of cholesterol concerns, the major chains—both seafood and meat-based concepts—have pulled out all the stops to introduce baked and broiled seafood selections. Supply is still a big issue; foodservice operators have had to seek alternative sources. Seafood franchising is dominated by three chains—Long John Silver's, Captain D's, and Arthur Treacher's Fish & Chips. Beyond that, small regional chains and independents lead the way.

PIECE MEAL HOT DOGS. The frankfurter will be featured, as well as a bevy of relish and topping ideas.

DRAFTS, CARAFES TEQUILA TAKES OFF. Tequila's star is rising in the on-premise arena as a hip, highly mixable white spirit with a special affinity for fruit concoctions.



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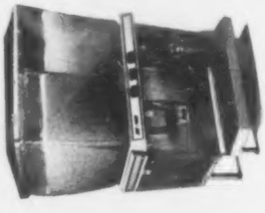

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PIZZA

MARKET SEGMENT REPORT

By Carol Casper

Sales by pizza operations rose to $15 billion.

The pizza segment continues to outperform the restaurant industry as a whole. However, these days, that does not say very much. Traffic rose 3% for pizza operations last year, only slightly outpacing the overall industry gain of 2%, according to CREST data from NPD Group, Park Ridge, IL.

Dollar figures show a comparable trend. Sales by pizza operations rose from $14 billion in 1988 to $15 billion in 1990, roughly a 7% gain over two years.

Competition within the segment continues to toughen. Although America's love affair with the flat round pies shows no sign of abating, many observers believe that development has finally caught up with demand and the segment is becoming saturated.

This may be news to the Big Three—Pizza Hut, Domino's, and Little Caesar—which continue to pursue ambitious expansion plans. However, the viewpoint is borne out by mounting signs that the giants' growth is coming at the expense of other operators, both smaller chains and independents.

A look at RECOUNT statistics from Restaurant Consulting Group, Evanston, IL, tells the story. In 1988 and 1989, the Big Three slightly outpaced the rest of the segment in unit growth rates. They expanded their combined numbers by 14% and 11% those years, while total pizza locations grew 10% and 9%, respectively.

In 1990, the giants increased their numbers by 8%, while the total number of pizza places in the U.S. actually shrank.

HARD FACTS. Many independents and smaller chain operators continue to quote the conventional wisdom that taste in pizza is highly individualized; most consumers prefer their local favorites. Yet the hard facts indicate this perception may lag behind reality. According to CREST, last year pizza chains attracted 55% of total traffic while 45% went to independents. As chain units continue to proliferate, the balance could well shift further

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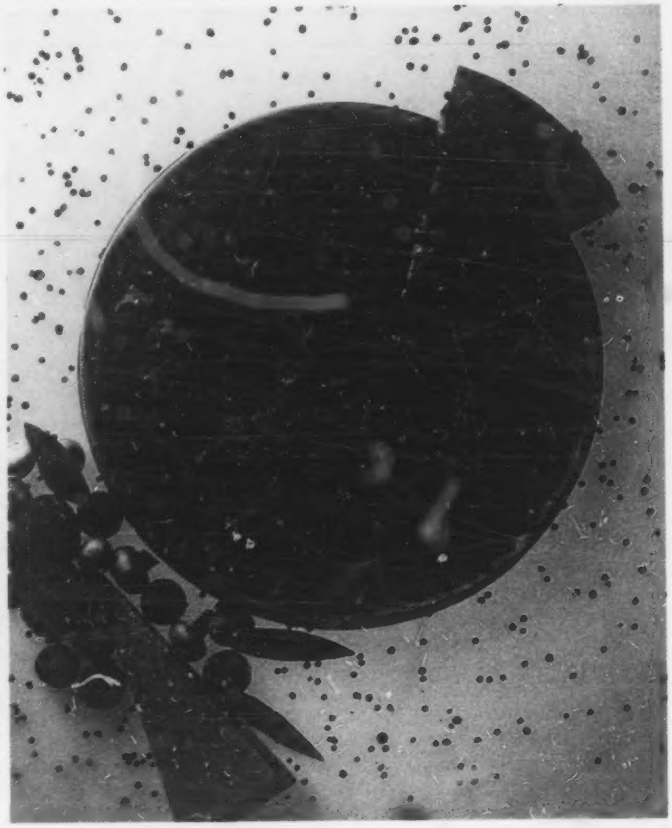


The Mazzio's chain differentiates with specialty products like its Pizza Light and Choice Meat Plus Pizza.

against independents.

Smaller, regional chains, as well as independents, face a tough fight competing against the giants in today's price-sensitive market.

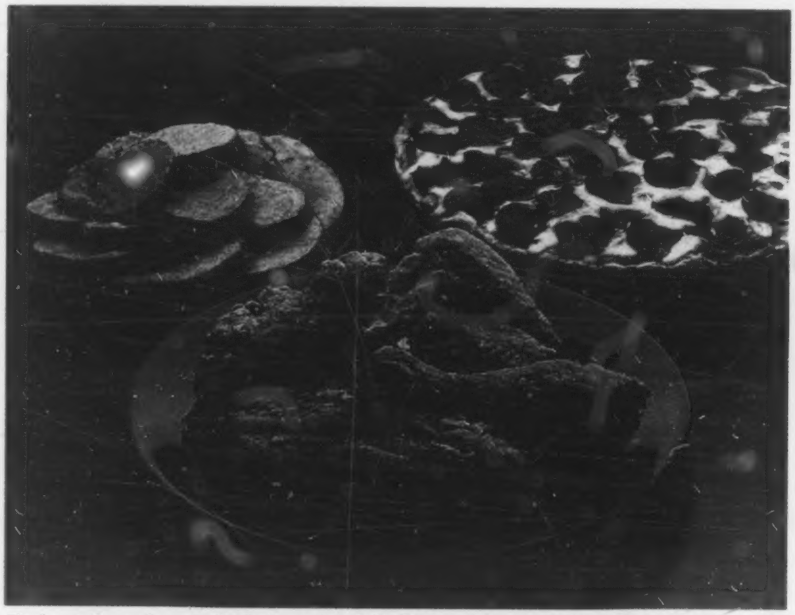
"Price has been the driving force in the pizza industry for some time, but the situation is even more acute today," observes Bob Adamowski, president of Pietro's Pizza, Lynnwood, WA, a 79-unit chain. "We can build a following by providing greater value, but our margins are not as strong so we can't discount like the majors," he notes.

"We have to attract the Domino's and Pizza Hut customer to survive," Greg Lippert, vice president of Mazzio's Corp., Tulsa, OK, echoes. Like Pietro's and many other smaller chains, Mazzio's sees its challenge as convincing customers it offers better value.

"We want to be somewhat discount-proof, so we offer an upscale setting, and specialty pizzas," Lippert says.

Other, smaller chains believe they can go head-to-head with the Big Three on price by keeping overhead low and cultivating high profiles in their communities through low-cost forms of exposure. The Pizza Pit, Madison, WI, with 24 units, succeeds through high traffic counts combined with "off-the-wall" advertising and community activity to meet the big chains head-on, says marketing director Tom Hartl.

Similarly, Pennsylvania-based Four Star Pizza hopes to parlay its 125 franchised stores into a national presence some day by keeping menu and operations simple, and building a system of individual owner/operators who can garner grass roots support.



Shakey's broad menu includes a lunch buffet and the recently debuted hot wings.

The segment continues to outperform the industry; traffic rose 3%.

Probably the hardest hit are independent pizza operators, who feel the increased squeeze from both large and small chains. To help them combat the trend and protect market share, a San Diego-based organization, U.S. Pizza Network, was formed four years ago by former pizzeria operator Michael Piancone. For a $100 annual fee, 2,500 members receive four-color art to use in advertisements, the ability to participate in network purchasing, special promotional programs, and a monthly newspaper, among other benefits.

Pizza operators also face growing competition from sources outside the segment. Restaurants of all kinds now feature their own versions of pizza as appetizers or entrees. Whether this draws business away from the mainstream is hard to say.

A more worrisome factor could be the strong growth of supermarket pizza sales, notes Dennis Wall, assistant editor of *Pizza Today*, the publication of the National Association of Pizza Operators, Santa Claus, IN. Take-and-bake pizzas sold by supermarket delis previously have been regarded as inferior products, posing little threat. Now, though, sales are on the rise, as some supermarkets are experimenting with upgraded, fresh-made pizzas and even hot-to-go products. If the trend continues, it could take a significant slice out of the pizza market.

But one area where supermarkets are not likely to compete is delivery, and delivery is powering much of the pizza segment's growth, say most observers. On the other hand, Bob O'Brien, director of sales and market development at NPD, points out that last year carry-out actually increased its proportion of sales relative to delivery, according to CREST data.

Another potential competitor that probably won't offer delivery, but nonetheless makes many large and small pizza operators more nervous

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than any other, is McDonald's. The king of fast food continues to expand its pizza test begun in 1989. If and when the Oak Brook, IL-based chain rolls out the product nationwide, it would mean an addition of over 8,000 new locations serving pizza, or roughly a 16% gain in the current pool.

McPIZZA. McDonald's will not comment on if or when it will go systemwide. Supervisor of media relations Melissa Oakley says that the company does not set timetables for tests. She points out that the salad program was 10 years in development while Chicken McNuggets took 12 years.

The nation's largest pizza chain, however, is not taking a wait-and-see attitude. Pizza Hut director of public affairs Roger Rydell comments, "We are sure they will go national, and we consider them serious competition." In fact, in markets where McDonald's is testing, Pizza Hut has reacted immediately with "blunting campaigns" of aggressive anti-McDonald's print and TV ads, notes Wall.

McDonald's recently expanded its test to include several hundred stores in eight markets across the country. In addition to a 14-in. round pie available in several topping choices, the company is also testing a personal size with two topping varieties.

FREE, FAST & HOT!
FAST & HOT!
FAST & HOT!
FREE, FAST &

The regional Pizza Pit chain stresses community involvement.

Despite the intensification of competition from all quarters, most pizza operators still express great optimism, and not without reason.

Pizza continues to be enormously popular with a key demographic group, Baby Boomers and their kids, Lippert points out. As a result, he says, "I can't see the category slowing down much at all in the near future." Pizza offers good food value, and delivers well, he adds, two key ingredients for success given today's economic and lifestyle trends.

To help strengthen their food value positioning, many pizza operators are also developing healthier recipes.

HEALTH CONCERNS. "More pizza operators are becoming concerned about fat and cholesterol content and other health issues," Wall points out. "They're cutting salt from the dough, adding low-fat cheese options and more vegetable toppings."

At Pizza Hut, the nation's number-one pizza purveyor, the most notable developments are not new product varieties, but new delivery channels. The Wichita, KS-based chain seems to be exploring virtually every means of bringing pizza to the public, from specialized delivery/carry-out units, to over 200 kiosk units franchised to Marriott Corp., to its own rapidly expanding kiosk operations, to in-line Express mall units, in addition to its regular full-size, full-service restaurants. About 1,500 of those now offer delivery.

Combined with its specialized delivery/carry-out operations, which for the short term will be opening at a faster rate than full-size units, PepsiCo's Pizza Hut now offers delivery from a total of 3,300 locations.

Delivery accounts for 25% of its U.S. sales and is growing, Rydell notes. It reached enough markets this year for the chain to initiate its first national network TV ads highlighting the service, he adds.

In all, Pizza Hut's variegated operations totaled 6,600 U.S. units at the end

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PIZZA

PepsiCo's Pizza Hut now offers delivery from 3,300 locations.

of 1990, pulling in $4 billion in sales. Another 1,400 international stores contributed more than $2.6 billion. The company "broke through the Iron Curtain" on both fronts last year, Rydell also notes, opening two units in Moscow and one in the People's Republic of China.

Domestically, the company expects to have over 7,000 stores by the end of 1991, and plans to hit 12,000 by 1994.

"We just came off our third consecutive record year for company and franchised stores. We anticipate we will continue to grow very rapidly through the '90s," Rydell says.

The company is also set to target lunch as a greater opportunity. It currently accounts for 20% of sales or less.

"We want to be able to grow lunch the way we are growing delivery," Rydell comments.

While "keep it simple" is still the motto at Domino's Pizza, Ann Arbor, MI, the number-two pizza chain is also experimenting, albeit on a much smaller scale, with some diversification. Its principal new development centers on nondelivery "Pizzazz" units, stationed in shopping malls, sports stadiums, military bases, and other sites. They feature single-serving pizzas, called "zzingles," "zzalads," and drinks for carry-out and in some cases, eat-in. There are currently 28 such units, reports national director of public relations Mike Jenkins. In 1991, the company will probably add another 20 to 25.

PIZZAZZ. The Pizzazz division is continuing a test program with a dozen Burger King units in several Southern markets, making 6-in., single-serving pizzas available at these sites for lunch.

In another cooperative venture, Domino's has arranged with Marriott's Food and Services Management division to deliver pizzas to colleges and school systems. The company is also contracting with some schools and colleges directly, Jenkins notes.

Meanwhile, Domino's continues to steadily expand its regular delivery outlets, both domestically and abroad. Systemwide locations, not counting the Pizzazz division, grew to 5,370 in 1990. They include 375 international units in 28 countries. In 1991, Domino's will open 400 units, 150 of them overseas.

"We still plan to reach 10,000 units by the year 2000," Jenkins notes. "We expect to have 3,000 international sites by then. Ultimately, we think there is the potential for 5,000 units overseas."

On the product development front, the company remains cautious. Pan pizza, Domino's first new product since the company's inception, is still considered a test, even though it has already rolled it out nationwide, Jenkins says.

Promotionally, the company continues to emphasize double-value programs, such as its early spring offering of two medium, two-topping pizzas for $9.99.

In operations, Domino's has launched a "Back to School" program, designed to refocus employee's attention on the basics. "As new people have come into the system, our original for-

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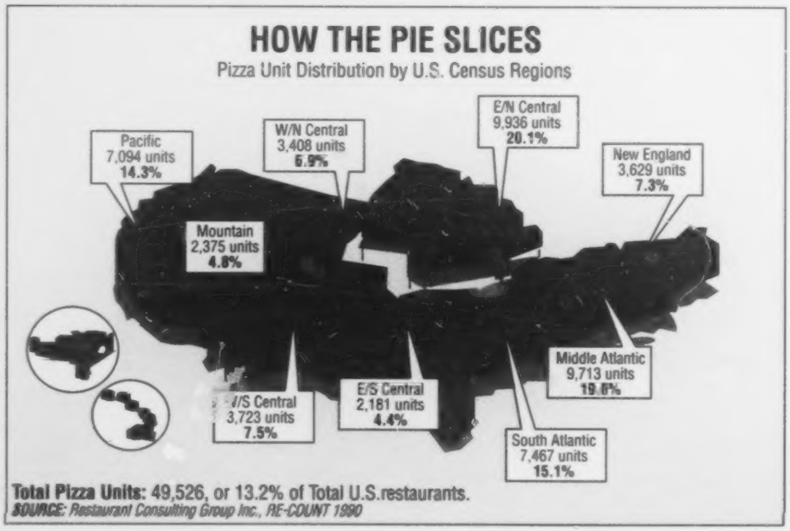
HOW THE PIE SLICES
Pizza Unit Distribution by U.S. Census Regions
Pacific 7,094 units 14.3%
W/N Central 3,408 units 6.9%
E/N Central 9,936 units 20.1%
New England 3,629 units 7.3%
Mountain 2,375 units 4.8%
Middle Atlantic 9,713 units 19.6%
[illegible]/S Central 3,723 units 7.5%
E/S Central 2,181 units 4.4%
South Atlantic 7,467 units 15.1%

Total Pizza Units: 49,526, or 13.2% of Total U.S.restaurants.
SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

CHARTS BY SHARI FANG

For more information on General Foods circle number 58→

Although much of Pizzeria Uno's business is on-premise, it also offers take-out.

McDonald's test of a pizza product has rocked the segment.

mula has gotten diluted, so we're trying to bring that back," Jenkins explains.

Since founder Tom Monaghan turned day-to-day operations over to president David Black in 1989, Domino's has assembled a team of young executives in their 30s to early 40s that are "ready to take the company into the 21st century," Jenkins adds.

Little Caesar Ent. director of media relations Sue Sherbow points out that the chain's unit growth, at least in terms of percentages, has surpassed both Domino's and Pizza Hut for the last couple of years. The Farmington, MI-based firm added nearly 550 locations last year for a total of 3,173. It plans to further step up openings to reach over 3,800 stores by the end of '91. Systemwide sales last year hit $1.4 billion, projected to increase to $1.7 billion this year.

Unlike Pizza Hut and Domino's, Little Caesar continues to concentrate its growth plans on one format, carry-out, even though its system also includes a small number of fast-service and full-service sit-downs, drive-thrus, concession stands, and mall locations.

Last year, the company introduced a new seasoned crust for its round pizza in four varieties—sesame seed, poppy seed, garlic butter, and Parmesan.

BEYOND THE BIG THREE. Looking beyond the Big Three, the size of the nation's other pizza chains drops off sharply, with most companies operating regionally or zeroing in on well-defined market niches.

The number-four competitor, Round Table Pizza, San Francisco, operates 560 units in a 10-state western territory, generating $312 million in sales in 1990. The company also has about two dozen stores overseas, which contributed $10 million in sales last year.

Round Table plans about 35 domestic openings in '91, and expects overseas licensees to speed up expansion to 10 new stores yearly.

Similar to the approach taken by many smaller operators, Round Table's answer to the big chains is to concentrate its marketing thrust on the locally owned nature of its units.

"We're a chain of pizza restaurants principally run by owner/operators," notes Jim Fletcher, president and CEO, who assumed leadership of the fully franchised chain two years ago. "Our strength lies in emphasizing service and our neighborhood character.

"With 237 franchisees, most of our owners have just one or a couple of units. So many are on premise, managing them closely and expanding relationships with customers face to face."

The chain's main growth opportunity, Fletcher adds, will most likely come through delivery. Some 68% of units now deliver, and more will join in this year. Delivery accounts for 17% to 20% of sales at these stores. Another 40% of sales on average is take-out business.

"We're also doing a lot of work in office catering," Fletcher adds.

This effort is particularly important to the company's efforts to expand lunch business. To build other midday business, the chain is working on a five-minute lunch offering.

BUFFETS. Other pizza chains, to build lunch business, have turned to buffets.

Godfather's Pizza, Omaha, NE, introduced its all-you-can-eat buffet two years ago, consisting of pizza, a salad bar, breadsticks, and dessert pizzas. While some franchisees run them at night, too, they have made the biggest difference at lunch, "substantially increasing profitability during the noon

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hour," Steve Frisbie, manager of public relations, comments. "Earlier, we tried a 'hot slice' fast lunch offering. The buffet has exceeded that in bringing people in," he notes.

Godfather's average unit volume inched up to $440,000 last year. Its system totals 525 units, 360 of which are franchised, in 38 states. The largest concentrations are in the Midwest and Northwest.

The company plans a slow, measured approach to further growth. It is still saddled with a sizable debt from the chain's leveraged buyout from Pillsbury by Herman Cain and his management team in 1988.

Supermarkets, selling packaged products, are now major competitors.

THE MIRAGE
CALIFORNIA PIZZA KITCHEN

California Pizza Kitchen proffers an upscale image and product.

Mr. Gatti's, a subsidiary of LDB Corp., Kerrville, TX, is banking an even larger portion of inside sales on its buffet. Its Fast Feast, available for lunch and dinner, features all-you-can-eat pizza, spaghetti, salad, breadsticks, and dessert, for $3.49 to $4.49. It accounts for 80% of eat-in sales, or 56% of total store volume on average, and has helped boost lunch to nearly 40% of sales. Take-out/delivery average 30%.

As part of its 25th anniversary celebration, Mr. Gatti's rolled out a new product last fall. "Pan Perfect Pizza," with a specially seasoned crust, uses just half the oil of most deep pan pizzas, according to the company.

"We feel our niche is in the family market," director of public relations Sharon Bailey, adds. To woo this business, the chain has developed a "three-room" concept that includes a family dining room with sports and general programming on big screen TVs, a Good Times Room with cartoons to keep youngsters busy, and a Garden Room for quiet dining.

Much of the firm's attention is currently directed at updating and remodeling company stores, while growth efforts will be focused mainly on franchising. Mr. Gatti's has 128 company units and 172 franchises in a 13-state quadrant of the country starting in Texas and heading east.

Average annual unit volume last year was $495,000.

The oldest pizza chain in the U.S., Shakey's Pizza Restaurants, South San Francisco, CA, is revving up operations since its acquisition two years ago by Singapore-based Inno-Pacific Holdings, Ltd. President Gene Stone notes that the company is looking for 20% international growth in 1991, and domestic openings of 20 stores per year for the next three years. At the end of 1990, its system included 194 U.S. and 183 international units with sales approaching $200 million.

The company went from one to 26 company-owned U.S. units last year, primarily through the acquisition of its former largest franchisee.

"We'll be getting more involved in company growth, but we're still aggressively developing our franchise network," Stone notes.

Shakey's is scattered over 25 states. New development will focus on areas of greatest concentration, including California, Washington, and the Midwest, to create some economies of scale and market dominance.

International operations are also widely spread among 18 countries, with the largest number in Japan. This year the company hopes to open its first European licensees.

Shakey's was probably the first major pizza chain to offer a lunch buffet, and continues to stress variety.

"Our premise, 'Pizza and more,' and our slogan, 'A great deal and a great deal more,' still hold," Stone notes. "We've had chicken for many years, which accounts for up to 25% of sales at some units, and we debuted hot chicken wings last year. We'll be offering more new products in 1991. We will also continue combo offers to promote value, rather than the two-for-one game."

Shakey's is slightly downsizing new units, but Stone points out that its stores, larger than most other pizza restaurants, allow it to accommodate large groups.

"We feel we're the ultimate destination pizza operation," he adds.

Another destination chain is ShowBiz Pizza/Chuck E. Cheese, operated by ShowBiz Pizza Time Inc., Irving, TX. Ninety-five percent of business comes from families with children under 12.

"Our prime customer is three to eight years old, and 25% of business is birthday parties," Dick Huston, vice president, marketing, notes.

The company is testing combining its two chains under the Chuck E. Cheese name. "We've been operating two brands with the same consumer benefits, and we haven't been getting the national identity with it," Huston notes.

Since 25 ShowBiz units converted to Chuck E. Cheese last year, there are now 162 Chuck E. Cheese and 105 ShowBiz restaurants, including 122

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Real Cheese
Can Make Your
Menu Over...

franchised operations under both.

"The most exciting thing we're doing is expanding the concept," Huston adds. "Last year we opened eight company and three franchised stores. Now we intend to speed up growth to 15 company units, and 20 or more in '92."

The chain is riding the wave of the recent mini-Baby Boom, which helped boost average annual unit sales last year 17% to $1.25 million. Management expects the opportunity to continue.

"With parents working more, and wanting to spend quality time with their kids, we think there's a place for us to fit in." The chain's special niche has also kept it out of the price wars. "We occasionally do value-added incentives, like giving away extra game tokens, but we don't discount pizza."

Less fortunate Pizza Inn, Dallas, hopes to revive its flagging sales this year with a new strategy. Once the nation's third-largest pizza chain, the company fell into bankruptcy following its 1987 acquisition by St. Louis-based Pantera Corp. Former USACafes president Jeff Rogers took over the helm in January 1990, and helped steer the chain out of Chapter 11 by last August.

Now turnaround plans include changing the chain from one with 140 company stores into a fully franchised system, Rogers notes.

Chains are encroaching on independents.

"We'll end up with perhaps 20 company stores when through." Most company sites have been franchised, and a few closed, leaving the firm with 447 units.

"We expect to open about 30 new stores in '91, and we will also open on the international market for the first

And Over...

Garden-Style Pizza

Take advantage of your patrons' love of pizza while you tap into the vegetarian market with a meatless pizza that's heavy on the cheese! We combined assorted vegetables with fresh spices, and added loads of shredded Cheddar, Mozzarella and Parmesan cheeses. Then, we layered it high on a delicate cornmeal crust. This Garden-Style Pizza will satisfy real cheese pizza lovers!

For information circle number 15

And Over...

American Antipasto

You'll increase your check averages when you tempt your customers to upgrade from a basic dinner salad to the American Antipasto. We've marinated Cheddar, American and Mozzarella cheeses with salami and assorted fresh vegetables, and topped it off with an Italian signature-style dressing. Increase your profits by making the American Antipasto your signature salad!

San Francisco-based Round Table Pizza.

time," Rogers says.

He adds that his first task on joining was to decide if the company had a chance of surviving.

"I was convinced in the first 30 days that the problem was not with the product, but with execution. Since then we've become more efficient in purchasing, advertising, and training. We've organized co-ops around the chain, and formed a good alliance with the franchisees. Obviously we're still highly leveraged, but we're running nine months ahead of our business plan."

Coming from Bonanza, Rogers' staff has used its experience to improve Pizza Inn's evening and weekday lunch buffet. It now accounts for half of dine-in sales. Delivery contributes 25% to the total sales, and carry-out 10%.

"I'm unconcerned about competing with other chains," Rogers adds. "Pizza Inn's own worst enemy has been itself. So we're focusing inside, to keep our own customers or bring them back."

Elsewhere around the country, many regional chains find themselves struggling to compete with the majors. Papa Gino's, Dedham, MA, faces a tough combination of a strong influx of new chain competition plus the precipitously slackening Massachusetts economy.

"Three years ago state unemploy-

continued on page 162

And Over...

Cheesy Eggs 'N Toast

For a better profit opportunity, try our Cheesy Eggs 'N Toast instead of ordinary scrambled eggs and toast. Just add shredded Cheddar, American and Mozzarella cheeses, diced ham, and green chiles to scrambled eggs. Melt cheese over toast points and serve salsa on the side. Our Cheesy Eggs 'N Toast will satisfy your patrons who have a craving for spicy, Tex-Mex fare.

For information circle number 15

And Over...

Kids Nachos

When you offer the little ones something to munch on before dinner, you create a whole new profit opportunity. Introducing an appetizer specifically designed for kids: Kids Nachos. We took crunchy tortilla chips and topped them with a special sauce, ground beef and a creamy American cheese sauce. Increase customer satisfaction by keeping the little ones occupied before their meals are served!

ment was three points below the national average. Today it's three points above," points out Ron Spinazola, director of marketing. At the same time, Pizza Hut and Domino's have made inroads in the area.

Due to the economic slowdown, Papa Gino's franchising plans have gone on hold. Its delivery program, however, continues to expand. About 100 of the chain's 219 units now deliver, and more are being added at a rate of about two per month.

Spinazola says delivery, which has grown to almost 10% of sales, should help the firm win back some lost market share, while other opportunities lie in its broad menu. Pizza accounts for just over half of sales, with sandwiches, hamburgers, pasta, salads, ice cream, and newly introduced calzones making up the balance.

While marketing programs include heavy couponing and two-for-one deals in answer to the majors, the company is exploring other strategies for communicating value. This month it will bring back a low-cholesterol pizza tested last year, and will replace ice cream with frozen yogurt to augment its health-orientation.

One challenge is diversity of taste preferences.

Pietro's Pizza, with 79 units in Washington and Oregon, is also working harder than ever to combat the larger chains. "We face competition in our markets from all the majors, and we can't match their advertising dollars," president Adamowski notes. "However, we can build a regional following by providing greater value. Also, we are a Northwest company that has always had strong identification with its roots. We can maximize that connection

And Over...

Pigs In The Blanket

Rather than serving ordinary pancakes and sausage for breakfast, try this breakfast treat instead. To dress up this traditional breakfast fare, we took pancakes and topped them with juicy sausage and American cheese. Then we rolled them up and added a special cheese sauce. Make the morning meal a more profitable daypart and offer your customers Pigs in the Blanket.

For information circle number 15

And Over...

Steak Mozzarella

Beef up an ordinary steak the Italian way: with a touch of cheese. Our Steak Mozzarella has an elegant look and offers you the opportunity to charge more than you could with a plain steak. We seasoned our steak with fresh garlic and broiled to order. Then we topped it with a mixture of basil, tomato and shredded Mozzarella cheese and broiled it until the cheese was bubbly. So, beef up your profits with the added value of cheese.

by marketing the idea that we cater to the people who live here."

One step has been the creation and heavy promotion of a Great Northwest Pizza, made with all local products.

Pietro's has the benefit of a longstanding reputation going back to 1957, although most growth took place after its acquisition by Campbell's Soup Co. in 1973. Current ownership, consisting of Adamowski and four other investors, acquired the chain in 1988. They have since added 14 company stores, and now plan to take the chain into franchising for the first time.

Pietro's menu includes spaghetti, sandwiches, salad bar, and soup, but pizza averages 80% of sales. Pietro's also serves beer and wine—a point of differentiation.

Two other chains that seem unfazed by the majors' galloping growth are Four Star Pizza, Washington, PA, and Wisconsin-based Pizza Pit.

Four Star embarked on an expansion frenzy of its own following its acquisition in 1989 by Jerricho, NY-based Cutco Industries, a franchisor of over 600 hair salons. It expanded from 25 to 125 franchised units in one year. In 1991, the company plans to add another 50 units, spreading from 14 to 20 states. It also has shops in Paris, London, Dublin, and Bermuda.

Our major emphasis is delivery, which makes up 80% of sales, and carry-out, although newer units offer some dine-in as well," president George Chavel notes. "The menu is simple: pizza, sandwiches, and soda.

"We're not trying to catch Pizza Hut," he comments, "but we know we can be very competitive on a local basis. Our opportunity lies in our locally owned aspect. Most of our franchisees are owner/operators. They are our strength."

Nearly half the owners are former Domino's employees, Chavel adds.

"Being a young company, we can offer them prime territories," he says.

continued on page 164

REAL POSSIBILITIES
REAL POSSIBILITIES
REAL POSSIBILITIES
REAL POSSIBILITIES

And, A Menu Makeover Can Make You Money Over...And Over...And Over...

How can a Real Cheese Menu Makeover make you money over and over again? By making your entire menu more profitable with the added value and great taste of real cheese. Here's how it works.

Increases your menu's selling power.

When you add real cheese to a menu item, it gives your patrons the irresistible flavor they're looking for. And, because they place a higher value on dishes made with real cheese, you can charge more for them.

Turns your slow movers into hot sellers.

A Real Cheese Menu Makeover keeps your menu up to date with, and helps you profit from, ongoing ethnic trends. Any way you look at it, a Real Cheese Menu Makeover will help you make more money.

Send for your kit, today!

Our Real Cheese Menu Makeover kit includes recipe cards of the delicious dishes you've just seen, plus additional great tasting real cheese recipes. You'll also receive value-added menu ideas and loads of side dish suggestions to complement your updated menu items.

Give your menu the makeover it needs. Just write to: American Dairy Association, Foodservice Division, Department R12, Dairy Center, 6300 North River Road, Rosemont, IL 60018-4289.

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For information circle number 15

PIZZA

MARKET SEGMENT REPORT

The Big Three are expanding at the expense of smaller operations.

The Pizza Pit also keys in on delivery, stresses good value for a low price, and local identity. "Our slogan is 'Your neighborhood pizza delivery specialists,'" marketing director Hartl notes. Most development remained close to home in Wisconsin and Iowa until recently, but now the company hopes it can retain this approach while it steps up expansion both in nearby markets and central California.

"Because of our high traffic counts, we can sell low and still generate a fair profit," Hartl comments. Annual unit sales average $537,000.

The company also reinforces its identity in its home territory with humorous advertising, and is not afraid to go head-to-head with the majors.

"When Domino's tried a push here, offering $5 off for each competitor's pizza box customers brought in, we ran our own radio spots, advertising that we were giving away free $5 pizza boxes good at any Domino's location. We even handed them out on the street," Hartl says.

Another key to success, he comments, is a sophisticated delivery system—"Not in terms of technical features, but in terms of training. For a small company, we have a large training department, and we're constantly training, re-training, and retro-training."

Breadeaux Pisa, St. Joseph, MO, is trying to carve its own niche with a differentiated product. It features a French bread dough crust pizza available in several forms: hand-tossed, pocket, full-size double crust with toppings inside, and a new deep dish product rolled out last summer. The company offers some unusual varieties such as bacon cheeseburger, taco, and BLT. Last year it also added a vegetarian pizza with broccoli, cauliflower and fresh tomatoes.

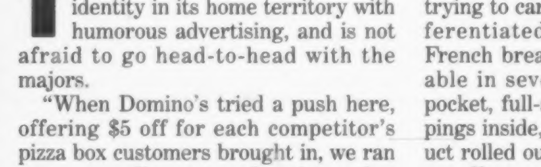
"We're a value-related product," notes Jim Larkin, founder and president of the 100-unit, mostly franchised chain. "But what's changed in the last couple of years is how we communicate that value.

"When we started, Pizza Hut was getting $5.25 for a small, two-topping pizza. We said, 'we'll sell you two for $5.75.' Now, they sell a medium supreme for $6.99. We can't sell two for $7.50, so we have to convince people the value lies in the quality of our product. Only a miniscule number of customers order extra cheese or meat, for example, because we put plenty on to begin with."

"We try to offer better service and better food. Our top feature is our 30-plus-item salad bar, which accounts for 20% of sales. It adds to our costs, but it gets people in who aren't pizza eaters," he notes.

THE BIG THREE

Company Name	1990 Units	1990 Sales
Pizza Hut (PepsiCo) Wichita, KS	**8,000** **(6,600 U.S.)**	**$6.6 bil.** **($4 bil. U.S.)**
Domino's Pizza Ann Arbor, MI	**5,370** **(4,995 U.S.)**	**$2.65 bil.** **(U.S. only N.A.)**
Little Caesars Farmington, MI	**3,173**	**$1.4 bil.**



COMPLEMENTS. At the Mazzio's chain, pizza makes up just 56% of sales, complemented by fettuccine, lasagna, and other pastas, chicken entrees, and sandwiches.

"We also offer specialty pizzas each year. We try to introduce products on the leading edge, to bolster our image as being a little different," Lippert says. Recent offerings include Pizza Light, made with fresh vegetables and low-fat mozzarella to meet American Heart Association guidelines. This year the chain also debuted "its opposite," Lippert says, Choice Meat Plus made with five meats and five cheeses.

Mazzio's system includes 265 units, 119 of them company-owned, in 20 states. The largest number are in the south-central region.

"We plan to fill in markets rather than expand our geography," Lippert notes.

Most sites now offer delivery, just phased in over the last five years in response to competitive necessity and consumer demand. The company also has 12 delivery-only units.

While Mazzio's tries to offer something "a little better," it still competes for the "base-level" pizza customer.

Other pizza operations are taking the product to a whole new quality level, serving gourmet-style pizzas in more highly styled, upscaled settings. Next to the Big Three, some of these concepts are currently writing the biggest pizza success stories.

GOURMET-STYLE. Topping the list is California Pizza Kitchen (CPK), Beverly Hills, CA, started by former lawyers Larry Flax and Rick Rosenfeld in 1985. The company has since grown

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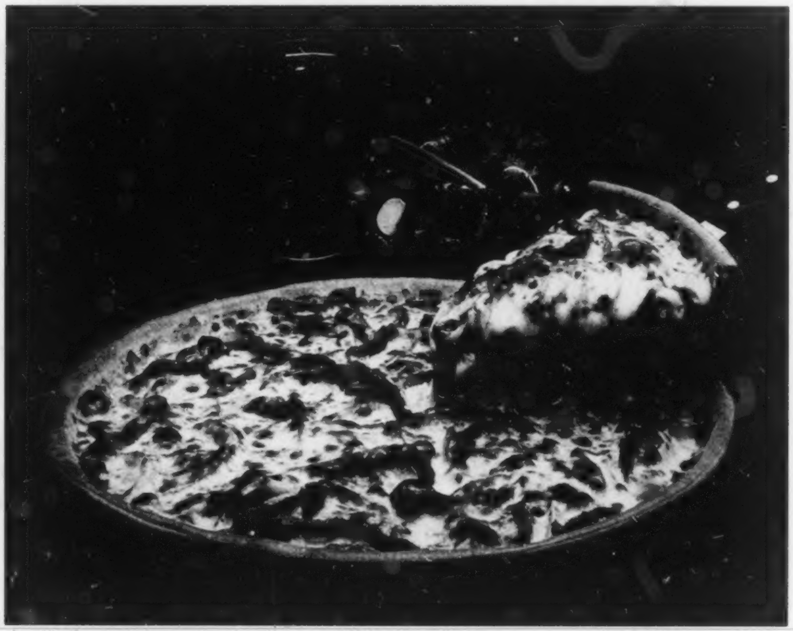

Godfather's is boosting business with its hot slice program and an all-you-can-eat buffet, which includes pizza, breadsticks, salad bar, and dessert pizzas.

to 16 units in several states. Six to eight more should open this year. Sales are projected to increase from $22 million for its last fiscal ended June 1990, to $35 million for fiscal 1991, and a public stock offering is being contemplated.

CPK's menu offers 28 varieties of gourmet pizzas baked in wood-fired ovens. Its best seller is barbecued chicken. Other varieties, updated every few months, include Caribbean shrimp, shrimp pesto, Thai chicken, goat cheese, and moo shu chicken. The menu also includes pastas and a variety of salads.

Checks average about $12 to $14 per person.

"We think we're bringing excitement back to people who have drifted away from pizza," Flax comments.

"We're also very much a family concept. We provide a common ground for parents and kids, because we serve enough simple pizza and spaghetti dishes that kids like, and exciting food in a pretty setting for adults."

While not as exotic, Bertucci's Brick Oven Pizzerias, based in Woburn, MA, also offer upscaled pizzas baked in wood-fired ovens, along with pastas, salads, and soups, in a casual but nice atmosphere. One of the company's strengths, marketing director Jill Sykes notes, is its high-value quotient, since it offers upgraded, freshly prepared products, style, and service, at prices comparable to those of many lower-pitched pizza operations.

"We're able to offer that value by working off volume," Sykes notes. The company also holds advertising costs down by focusing its marketing efforts at the customer in the unit and word of mouth, supplemented by a billboard program.

These tactics have helped Bertucci's grow from five to 21 units in less than five years. It plans to continue opening five to six restaurants a year, primarily in Massachusetts and other New England states.

Take-and-bake products are becoming popular.

CEO Jim Frye describes the Italian Oven, Ligonier, PA, as similar to Bertucci's but not quite as urban or chic.

"Our toppings include some unusual items, but we're not as exotic as California Pizza Kitchen either," he adds. "We do have the grilled chicken pizza, and lots of fresh vegetable toppings like spinach, broccoli, and oven-roasted Italian plum tomatoes." It, too, features wood-fired ovens, which Frye says provide a superior product.

"But we don't hinge our success on them, they're just one attraction."

His corporation, Fornello USA, opened its first unit just over a year ago and now has three more open and 11 others under agreement.

"We think we'll have 30 to 35 under agreement by the end of 1991," Frye adds.

RESTAURANT-QUALITY. Another development to watch is take-and-bake pizza—not the pre-made, supermarket variety, but restaurant quality pies made fresh to order.

Jerry Kenney, vice president of operations for Papa Aldo's, Portland, OR, says his company is the largest exemplar of the concept, which he believes originated on the West Coast.

"All our pies are made to order," he adds. We also make our dough fresh every day, shred our own cheese, and make our sauce from scratch in each store.

"We feel our price/value is excellent. We try for a price range 20% to 30% lower than other pizza places. The other story we sell is convenience—offering customers a pizza that's ready and hot when they want it, fresh from their oven at home.

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PIZZA

Chuck E. Cheese targets kids.

"We're not competing with supermarkets, but with pizzerias," he adds.

The 75-unit chain is still working on getting its message out to the public, however. In an effort to boost sales and increase customer frequency, it added take-and-bake calzones and lasagna last year.

Another twist to the concept is being tried by Uno Restaurant Corp., West Roxbury, MA, which just began adding a "fresh-to-bake" program to some of its 88 Pizzeria Uno restaurants six months ago.

Pizzeria Uno has offered a limited selection of frozen pies for take-home from its units in the past. Uno also has a distribution program through supermarkets, offering a limited selection of its pizzas. Its new program, however, allows customers to purchase any pie on its menu, prepared fresh to order just like any in-restaurant order, only to take home and bake.

"The program will be in all locations eventually," notes senior vice president of development Dave Leonard. "We think it's going to be a big addition."

There seems to be enough room for the continued growth of the pizza market segment. But the days of unbridled expansion are past, as hungry regional chains and independents fight the Big Three for an ever-smaller piece of the pie. **RB**

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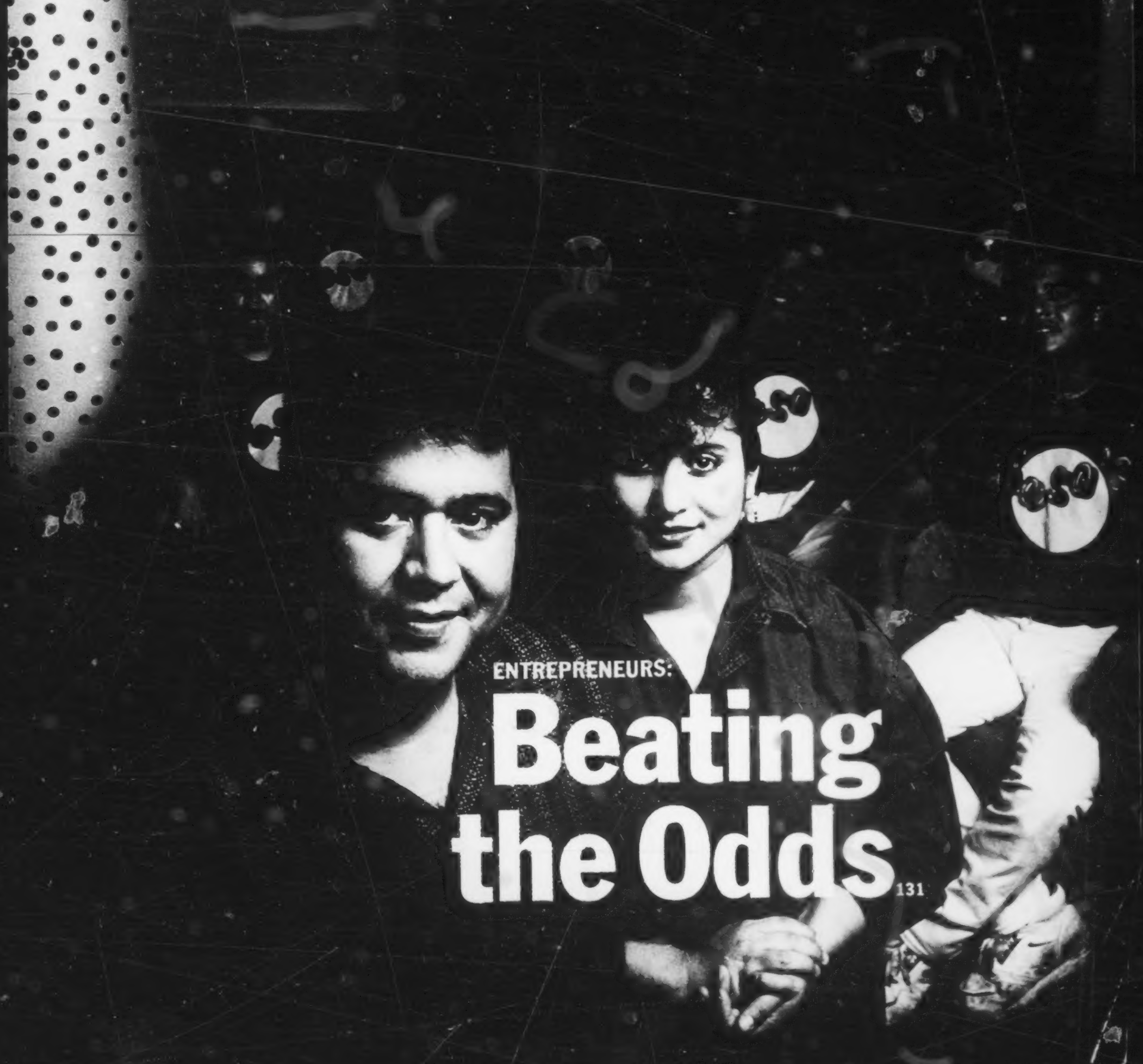

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THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

Alcohol-Awareness Programs

More than three-fourths of tableservice restaurants offer server-training alcohol programs, but less than one-third have designated driver programs, according to a National Restaurant Association survey.

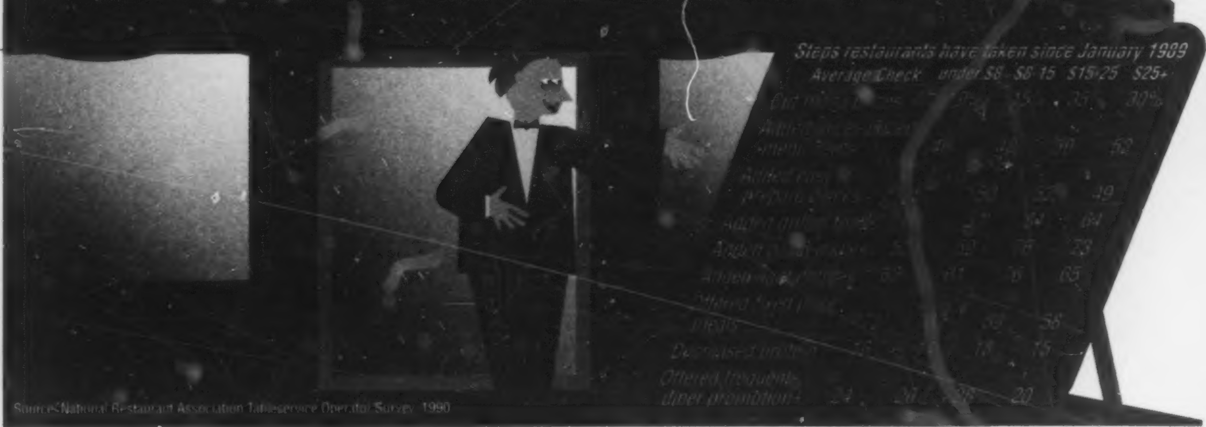
Alcohol programs of tableservice restaurants

	under $8	$8-15	$15-25	$25+
Server training program	79%	83%	84%	91%
Alternative transportation	54	72	79	81
Written staff policy	62	62	63	71
Designated driver program	29	30	30	35

Source: National Restaurant Association Tableservice Operator Survey, 1990

New Restaurant Practices

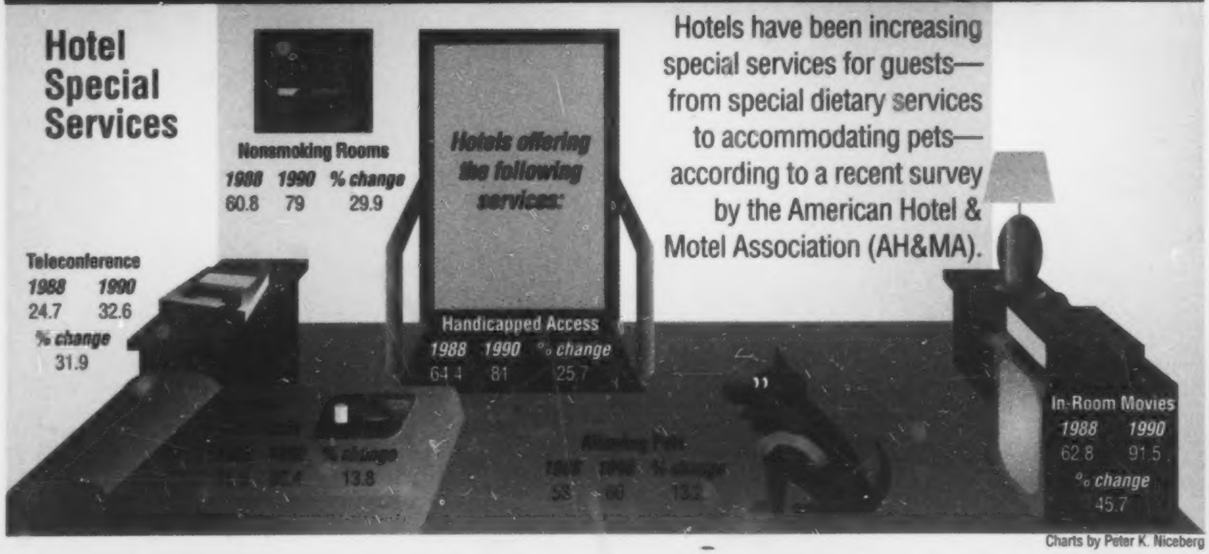
In response to the economy and changing consumer tastes, restaurant operators have changed their ways. The changes are documented in a National Restaurant Association operator survey.


Steps restaurants have taken since January 1989
Average Check under $8 $8-15 $15-25 $25+
Offered frequent-diner promotions 24 20

Source: National Restaurant Association Tableservice Operator Survey, 1990

Hotel Special Services

Hotels have been increasing special services for guests—from special dietary services to accommodating pets—according to a recent survey by the American Hotel & Motel Association (AH&MA).


Nonsmoking Rooms
1988 1990 % change
60.8 79 29.9
Hotels offering the following services:
Teleconference
1988 1990
24.7 32.6
% change
31.9
Handicapped Access
1988 1990 % change
64.4 81 25.7
% change
13.8
Allowing Pets
1988 1990 % change
53 60 13.2
In-Room Movies
1988 1990
62.8 91.5
% change
45.7

Charts by Peter K. Niceberg

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Benjamin Castelan, wife, and crew at Peso's Mexican Restaurants.
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COVER STORY

UNSUNG ENTREPRENEURS. A dedicated group of restaurateurs have worked long and hard but have also gone unheralded. We've picked a cross section of both independent and regional chain entrepreneurs to represent this noble club. Featured are: Benjamin Castelan and his family of Austin, TX-based Peso's Mexican Restaurants; partners Mark Cumins and Jerry Scheer of Charleston, SC-based T-Bones; Hans Lenzlinger of New Glarus, WI-based The New Glarus Hotel; Paul Landino and John Musco, Subway Sandwiches & Salads development agents in North Haven, CT; and Peter Taber and Connie Durant, the brother and sister team behind Palo Alto, CA-based Hobee's Restaurants **131**

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Cover photograph by Paul Bardagjy

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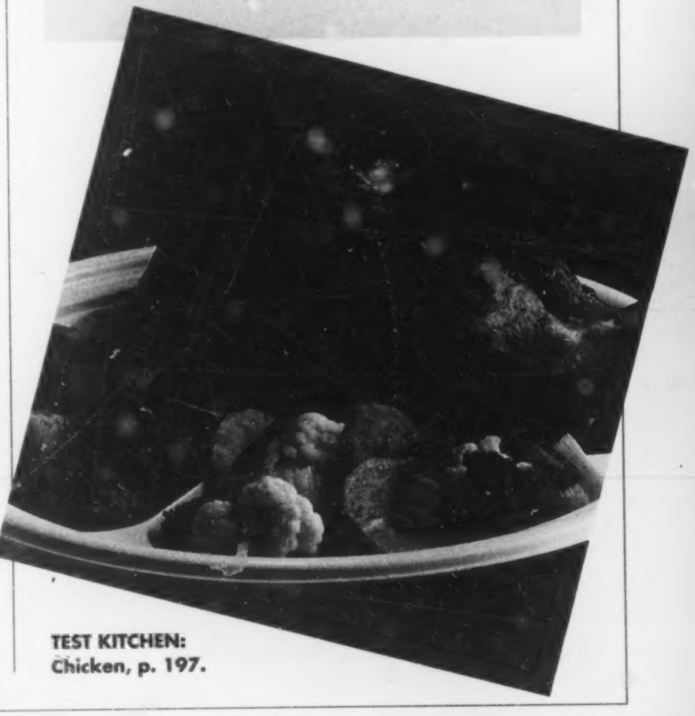
COVER STORY McDONALD'S. *RB* features an exclusive story on the elusive hamburger giant. President Ed Rensi, franchise vice president Burt Cohen, and menu developers Tom Glasgow and Michael Goldblatt talk in-depth on how they're positioning the company. The report will include details on McDonald's marketing approach for the '90s, product development, price strategies, pizza, the polystyrene policy, the McLean burger, and McDonald's plans to dabble in dinner.

MARKET SEGMENT REPORT ASIAN. Independents lead the way in this market segment, although small fledgling chains are also exercising some muscle. Operators are banking on customer perception of Asian cuisine—Chinese, Japanese, Thai, Korean, and Indonesian—as healthy exotic food, and are offering customers Asian-type menu items, or opening restaurants with an entirely Asian theme.

DRAFTS, CARAFES CASUAL CALIFORNIAN WINES. The casualization boom in restaurants has its own echo boom: flavorful, affordable, and marketable California vintages.



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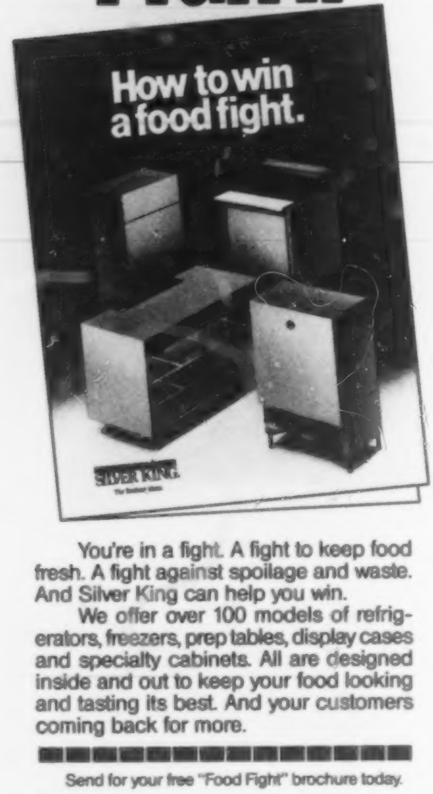
HOW
TO
WIN A
FOOD
FIGHT.



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SEAFOOD

Consumption has risen 25% over the last decade.

By Carol Casper

Seafood restaurants, especially chains, face tremendous challenges. Their biggest problem is not how to market seafood, but how to find supplies to meet rising demand. Dwindling supplies of some species and growing competition from overseas make seafood a difficult commodity in which to deal.

The expertise needed to handle a highly perishable product, the difficulty of marketing an expensive product in an era of falling menu prices, and reported safety concerns over contamination from natural toxins and polluted water are further complications.

On the positive side, seafood's popularity continues to rise. In 1989, U.S. consumption reached an all-time high of 15.9 lb. per capita, a 6% gain over the previous year. In the last decade, consumption rose 25%, says the National Fisheries Institute (NFI), Arlington, VA. Experts predict that annual seafood consumption will reach 20 lbs. per person by the year 2000.

A key question restaurateurs will be asking, given this trend, was posed by NFI executive vice president Lee Weddig at the group's annual convention last year: "Where's the fish?" The answer will determine what seafood restaurants will be menuing and what kinds of pricing and profits they can expect in years to come.

Far more than in any other restaurant segment, the seafood operator's success depends on how well he does at buying product. Procurement has always been complicated by pricing and supply fluctuations. Pricing and supply issues have grown more complex as the seafood market has evolved globally. The dollar's changing value can be as key a factor as the size of the catch.

One notable trend is a shift from reliance on traditional North Atlantic white groundfish staples like cod and haddock to more abundant and favorably priced species from Pacific waters.

One of the segment's largest fast-food chains, Shoney's Inc.'s Captain D's, recently introduced a Captain's Grille line. It was

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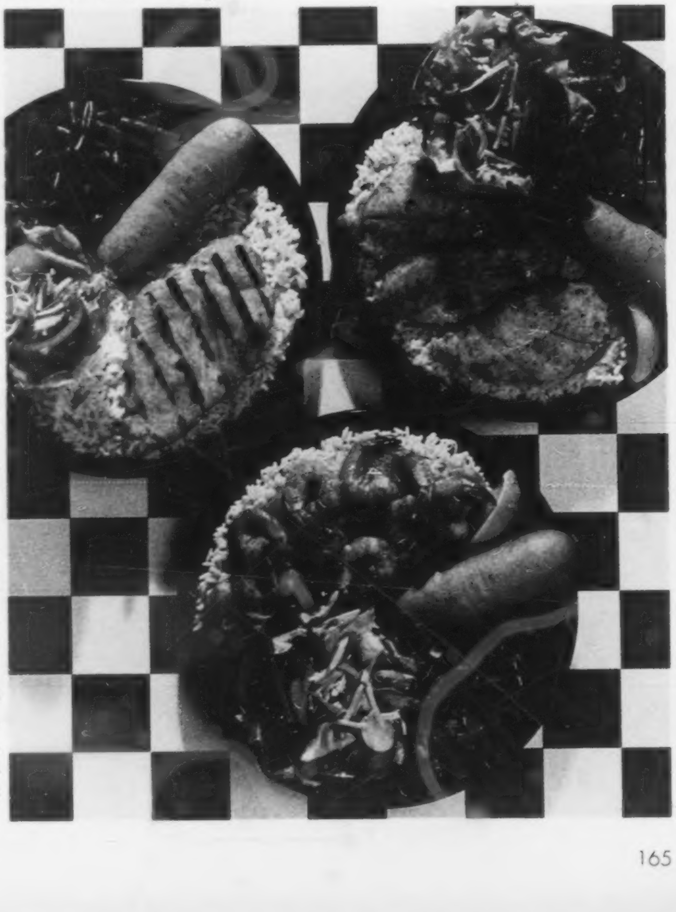

Captain D's new Captain's Grille line of broiled items includes orange roughy, chicken, and shrimp.

SEAFOOD

Success in the segment depends on successful procurement strategies.

conceived not just as a way of extending nonfried alternatives for health-conscious consumers, but also as a move to lessen the chain's dependence on traditional white fish species.

"There have been tremendous fluctuations in white fish pricing since 1986," says Captain D's president Frank Brown. "We're paying 40% more than we did a year ago. We've had to make some strategic decisions so we can remain a seafood chain. Cod will never again be king. We're developing a whole inventory of alternative species."

Similarly, more upscale operations like Gilbert/Robinson Inc.'s seafood group and Stouffer Restaurant Co.'s Rusty Scupper and Parker's Light-houses are supplementing high-priced favorites with lesser known, less costly alternatives. Doug Czufin, culinary director for Kansas City, MO-based Gilbert/Robinson's seafood operations, says the restaurants have experimented with South American corvina, Hawaiian kajiki or blue marlin, striped marlin, ono or wahoo, yellowfin tuna, golden tilefish, and skate.

Howard Cutson, vice president of food and beverage for Cleveland, OH-based Stouffer, says the company has had success in the Midwest with escolar, a Gulf Coast fish. Still, he notes, many customers are wary of trying new fish with unfamiliar names.

The growing aquaculture industry provides some of the brightest spots in the supply picture. Farm-raising has made a huge impact on availability and pricing of shrimp, salmon, catfish, and trout. Other farm-raised species that could play a role in the next decade are tilapia or Nile perch, hybrid striped bass, and sturgeon, says the NFI.

The controlled process of farming also promises to fit fairly easily into soon-to-be mandated inspection guidelines, which may soothe safety concerns. As for products like oysters and raw shellfish, experts say that buying tagged product from certified waters should avert most problems. Regardless of source, Jon Rowley of Fish Works!, Seattle, WA, advises restaurateurs to build close relationships with their distributors

The Lobster Clambake is a popular package at Weathervane.

VALUE. Economic factors have also raised concerns over how to offer greater value to customers. "There is no such thing as a good piece of inexpensive fish," says Jeff Senior, co-owner of Skipjack's Seafood Emporium, Brookline, MA. To keep in step with downscaling menu prices, seafood restaurants find themselves battling both the back-of-the-house reality of high costs and the public's perception that seafood is expensive.

This situation demands more ingenuity than ever in terms of buying right, creating cost-sensitive product presentations, and making sure the level of service communicates a high price/value to customers.

Gilbert/Robinson devised a new system for its restaurant managers who buy fresh fish daily, notes John Bettin, vice president of operations for seafood.

"We've given them a set of menu price caps," says Bettin. "Of the eight to 12 varieties on the fresh sheet each night, they know that three must fall in the $12.95 or less range, two at $15.95 or less, and two to three at $17.95 or less. They have the flexibility to buy whatever will fit into these categories."

The company has also added a number of lower-priced options to its menus. They include a casual fare section of items that are not as traditionally dinner-oriented. The move is an effort to expand the concept's suitability to lighter, more spontaneous meal occasions. "We've relied on special-occasion, business travel, and convention trade to a large extent. This is helping us increase sales from the local base," says Bettin.

Working to seafood operators' benefit is the fact that more Americans than ever before like to eat seafood and are convinced of its health benefits, but many still don't feel comfortable preparing fish at home. Sam King, president of University Restaurant Group, Long Beach, CA, notes that because seafood purchasing and preparation is difficult, "If you can do it well, it gives you a competitive edge."

Roger Berkowitz, co-owner of Legal Sea Foods, Allston, MA, adds that in today's economic environment, some restaurants are de-emphasizing seafood because of the difficulties of handling a product that is so perishable and so costly. For seafood operators who have no other choice, the trend could work to their advantage.

GOOD ADVANTAGE. One chain that seems to be making everything about seafood work to its advantage is General Mills' Red Lobster, Orlando, FL, the single largest presence in the seafood segment. Red Lobster opened 40 new units last year, bringing its total to 500; 45 to 50 new stores are planned for this year. Red Lobster's sales for fiscal 1990 reached $1.34 billion, a gain of nearly 10% over the previous year. Average store volume grew from $2.7 million to $3 million.

"We haven't seen that much recessionary effect, but talk about the recession hasn't gone unnoticed," says Dick Monroe, vice president, public relations. "The idea of emphasizing value this year was not a coincidence."

Red Lobster's recent efforts include a series of popular $3.99 lunch and $8.99 dinner specials, as well as the addition of a number of regular lunches priced under $4.99.

SEAFOOD
SEAFOOD

Morrison Inc. has stepped up expansion of its L&N Seafood Grills.

Variety, flavor, and value are key to seafood sales at any price point.

Its daily fresh catch offerings, typically priced from $10.99 to $12.59, continue to account for a large portion of sales. A new addition to the daily insert is a selection of four specials: grilled snapper in lemon cream sauce; broiled trout Veracruz; Venetian haddock; and grilled catfish with Pecos butter.

Continuing its emphasis on giving customers as many choices as possible, the company also added a "create a combination" option for lunch that lets guests select a pair from a list of fish and seafood entrees, just as its "create your own platter" program lets them select a three-item combination for dinner. Other new offerings include shrimp Seville with tomatoes, olives, onions, and peppers over linguini, and Southwestern-style fried shrimp.

"There is definitely a tendency to add more variety and more flavors in the menu," says Monroe. "We find as people eat out more, they're more interested in exploring new tastes."

In its effort to add value, Red Lobster has also added new extras, including continuous service of hot cheese-garlic bread throughout the meal, and a new house Caesar salad. The company also updated servers' uniforms and introduced linen napkins. According to president Jeffrey J. O'Hara, the switch to cloth napkins, and elimination of paper napkin rings and placemats will enhance the dining experience and remove 4.7 million lbs. of trash from the waste stream every year.

FRANCHISED GROWTH. At Long John Silver's Seafood Shoppes, Lexington, KY, the nation's second largest seafood chain, the emphasis this year is on attracting new franchised growth. The company has 1,491 units, 470 of which are franchised. Systemwide sales last year were an estimated $830 million.

As part of the agreement that accompanied the chain's leveraged buyout in

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1989, Long John Silver's is prevented from spending capital on developing new company units. Instead, it hopes to attract new franchisees.

"We're looking primarily for franchisees who can open from 10 to 20 units at a time," says Bruce Cotton, senior vice president, public affairs.

Long John Silver's recent major menu change was its companywide rollout of a new baked dinner program. The baked menu includes a three-piece fish dinner and baked chicken at $3.99, and baked shrimp scampi for $4.99. There is also a "light baked dinner" with two pieces of fish for $2.99. All are served on a bed of rice with side salad and vegetable. In some units, the baked program replaces a broiled menu.

"We found as good or better acceptance with the baked menu, which is easier to prepare since the items are cooked in a microwave," Cotton notes.

The baked program has also brought a new influx of older customers, helping the chain achieve its goal of increasing customer counts.

Last year, Long John Silver's introduced new finger foods, which are also selling well, Cotton says. They include planks of cod or chicken served in a cardboard boat. The finger foods do well for drive-thru, their original intention. However, they are also being ordered more frequently than expected by eat-in customers, particularly as a children's meal, Cotton notes.

North Atlantic cod still makes up more than 50% of the chain's fish purchases, but a growing percentage, mainly pollock, is coming from Alaska and other North Pacific waters. Long John is also testing a new hoki product.

BROILING. Before it introduced the Captain's Grille, fried white fish of one sort or another made up 68% of the menu mix at Nashville-based Captain D's, but the company expects this mix to change dramatically.

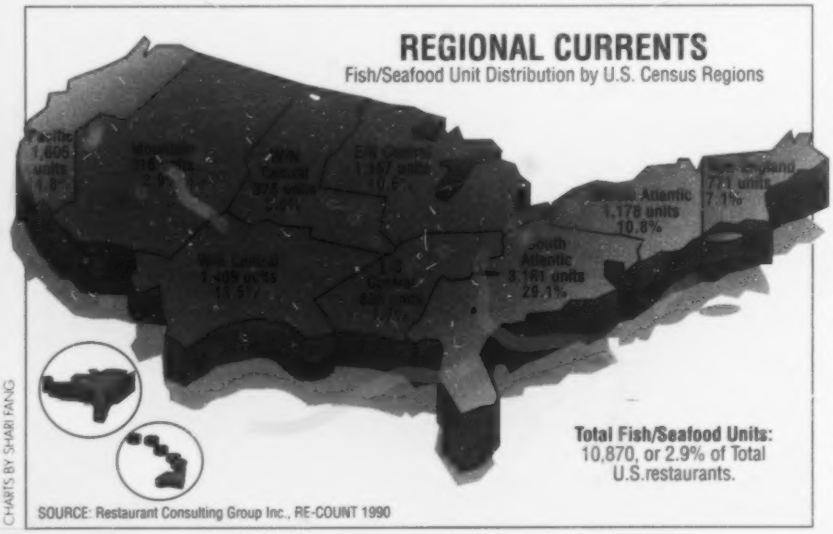
The new broiled menu includes three permanent items: orange roughy, shrimp, and chicken. They will be supplemented with promotional items like ocean perch, salmon, swordfish, and a three-fish mixed grill as seasonal prices permit. Served on a bed of rice with side salad, bread stick, and choice of vegetable, dinners cost $3.99 to $4.99.

Following a successful test, Captain D's installed the menu in all 360 corporate units this spring and expects 90% of its 270 franchisees to offer it by year's end. A key component of the program, Captain D's president Brown notes, is special broiling equipment that cuts cooking time to just two minutes.

Red Lobster, now at 500 units, will add 50 this year.

REGIONAL CURRENTS

Fish/Seafood Unit Distribution by U.S. Census Regions



SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

CHARTS BY SHARI FANG

Captain D's continues to offer baked orange roughy and chicken as well, which have their own core constituency, particularly among senior citizens.

In addition to changing procurement strategies, the baked and broiled items are part of an effort to broaden the chain's appeal to a wider customer base, Brown notes.

"Over the years, many customers of Captain D's began to perceive us as only serving fried food. The new program should help us regain former customers and also increase visit frequency from our existing base."

Captain D's is also developing a line of finger foods with a twofold purpose of creating add-on appetizer sales and offering convenient take-out. The first item, a box of eight cheese sticks with honey mustard sauce for $1.99, will be joined by at least two to four more items over the next few months.

The chain expects to open a combination of 25 to 30 corporate and franchised stores this year, with the emphasis on franchised locations. Growth has been constricted by the supply situation, Brown says, but the new Grille menu, built around orange roughy and North Pacific species, should help remove that block.

The chain claims the highest average annual store volumes of any fast-service seafood chain, with company-owned units averaging $667,000 in 1990.

Faring less well is Arthur Treacher's Inc., Youngstown, OH, whose 102 units generated 1990 systemwide sales of about $30 million. Things may be looking up, though. In the first half of this year, volume was up 10%, says James

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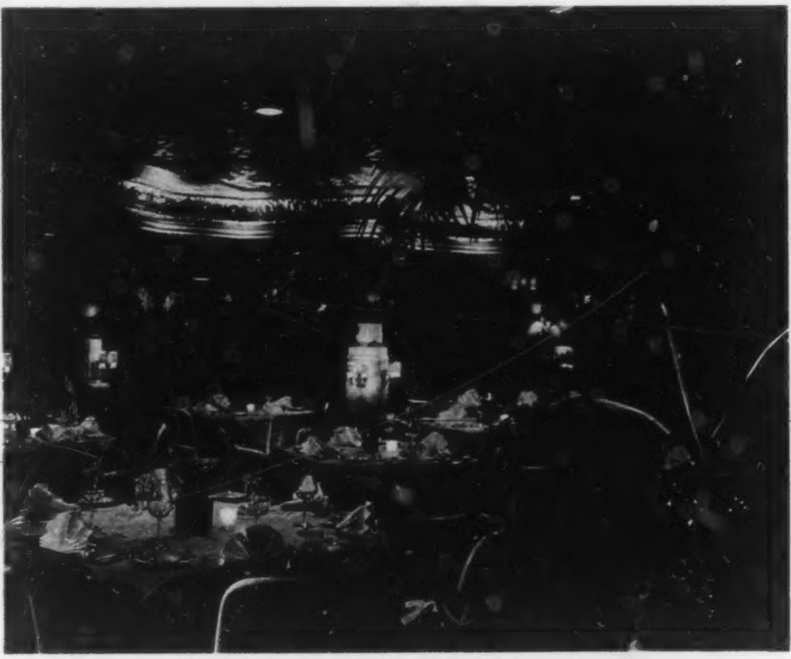
Cataland, president. The company hopes to expand its base significantly over the next 12 months through a new master franchise program underway in Cincinnati and Toledo, OH, and throughout the state of Florida. "This is our first major franchising push since 1984," says Cataland.

Most new openings will be concentrated in shopping malls and office food courts. Arthur Treacher's is also still interested in developing a drive-thru concept, although an agreement with AutoCafe Systems Inc., announced last year, fell through.

Like other fast-food fish restaurants, Arthur Treacher's is concentrating on developing and marketing nonfried options. A broiled cod loin platter, introduced two years ago, will be more heavily promoted this year. The chain has also introduced its first nonseafood item, baked chicken, in about one-third of its units. It will eventually be rolled out systemwide. Cataland is optimistic about the future, commenting, "I think customer perception of fish as a healthy fast-food item is improving.

"Better harvesting methods and aquaculture are helping to stabilize price and supply, and the number of species being harvested is broadening. All these developments will impact our segment of the industry over the next few years, allowing us to provide greater variety and price/value."



Despite its name, Atlanta's Fish Market is a high-end operation.

Newly popular species are helping to alleviate problems of supply and price.

SOMETHING FISHY. Another chain to watch is Dock's, owned by Fishy Things Inc., Willowbrook, IL. A homegrown Chicago enterprise that began branching out into multiple store development in 1985, it expects to step up growth through franchising over the next few years. Dock's currently operates 19 stores, about one-third franchised. They include three units in Nashville, Cleveland, and Milwaukee, opened in the last year. Agreements with franchisees in these cities call for the development of at least four to 10 units in each territory over the next few years. The company also hopes to open multiple units in Atlanta, Detroit, St. Louis, and other markets.

Dock's is distinguished by its largely minority ownership and caters primarily to black clientele, says president Denny Robertson. "Because we convert other people's mistakes, start-up costs are not that high," he adds. The typical investment to open a new unit through renovation ranges from $125,000 to $175,000, plus a franchise fee of $15,000 and royalties. The company closed several poorly performing units last year, which helped boost average store volumes to $650,000.

Dock's concentrates on take-out, which is 95% of business. Virtually all units offer drive-thru, accounting for up to 60% of sales at some locations. Despite its fast-food orientation, the chain emphasizes quality, hand breading, and cooking all items to order. Its signature is a fish sandwich consisting of two lightly breaded whole fillets on a wholewheat bun for $2.99. Other items include Cajun flavored "sassy shrimp," jumbo shrimp, and an 11-oz. whole catfish dinner.

"In response to the Taco Bell syndrome, we've introduced a 99¢ miniwich," Robertson says. "It's made with a 2-oz. fillet cut from our regular fillets.

"The thing that sets Dock's apart is the flavoring," he adds. "It's a more highly seasoned experience than at Long John Silver's or Captain D's.

"It's tough doing fast-food fish, because of the high cost," he adds. "We

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run about a 37% food cost."

MARGIN SQUEEZE. Seafood operators at both the lowest and highest price rungs are feeling the biggest squeeze on margins these days. Some restaurants at the lower mid-level, on the other hand, are prospering as customers who used to opt for higher-priced places seek to minimize expenditures.

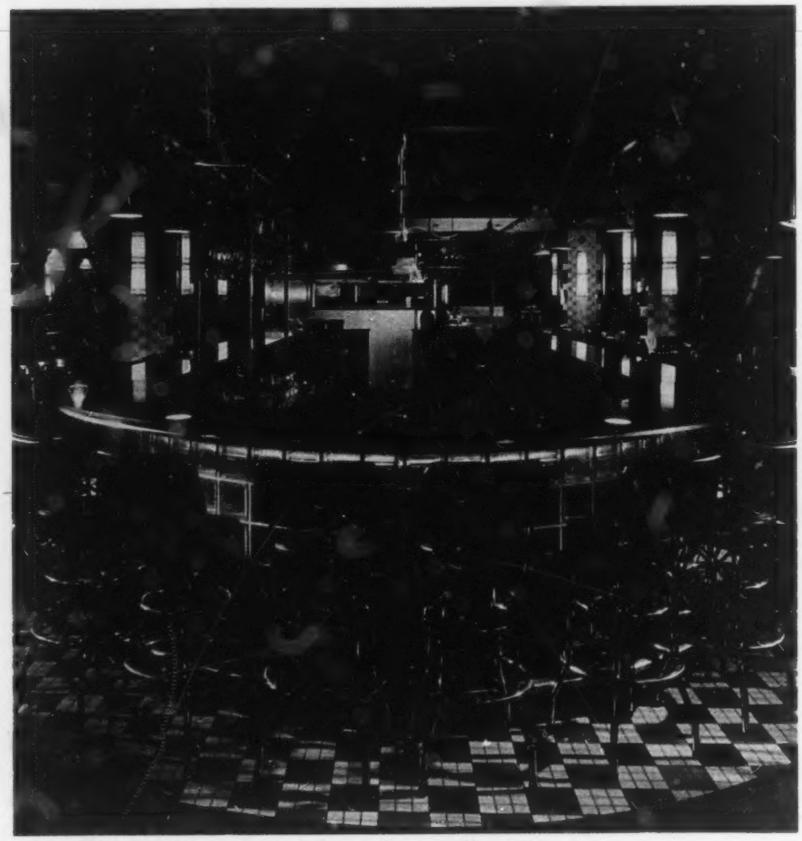
Susan Paquette, director of marketing for Weathervane Seafood Restaurants & Markets, Kittery, ME, says sales have picked up, particularly with business customers concerned about their entertainment budgets. Partly due to these new customers, and to in-house promotions on appetizers and desserts, check averages have risen to $5.25 at lunch, almost $9.50 at dinner.

This gain helped push company sales up more than 10% last year to nearly $30 million. A considerable portion of the increase was also due to the opening of Weathervane's 15th unit.

Paquette says the company's main focus is on upgrading existing stores, "but we're always keeping our eyes open for new sites." Weathervane's menu emphasizes traditional North Atlantic seafoods, fried and broiled.

"We saw a big switch in customer preferences last year from fried to broiled, and that's continuing to increase, along with sales of other items that appeal to health-conscious diners," Paquette notes. One highly successful addition to the menu, she adds, is a Lobster Clambake consisting of a 1 to 1.25 lb. lobster, 1.5 lb. of steamer clams or mussels, a cup of clam chowder, salad, and potato or rice priced daily from $12.95 to $14.95.

People prefer eating seafood at a restaurant.


Legal Sea Foods has upgraded the ambience of its units.

One way the chain keeps costs down is by purchasing and distributing all fish and seafood through its Kittery commissary.

SHELL GAME. Another chain that has done well due to its strong price/value orientation is Shells, Tampa, FL.

"A lot of people have made Shells their weekly night out, instead of going to a white tablecloth as they might have done before," says vice president Chip Roehl. With 27 units concentrated in the Southeast, including two opened last year, the chain is currently gearing up for a growth spurt to begin next year, which should take it to 50 stores by the end of '95, says Roehl.

"With eating habits becoming more health-oriented, and more people enjoying fish and shellfish, we see unlimited opportunity in the seafood dinner-house value niche," he adds.

Shells augmented its already value-oriented menu with special combination dinners this year. A "recession buster" priced at $6.95, for example, offered customers a choice of appetizers like clam chowder or a half dozen oysters, Caesar or dinner salad, and entree of chargrilled fresh fish, shrimp scampi, or seafood pasta. It also promoted a 30-shrimp dinner for $3.95.

While most sites still serve just dinner, Shell's recently tried lunch at several units, and will continue to add it wherever daytime traffic warrants.

SOUTHERN CURRENTS. In general, the South seems to be among the most fertile areas for seafood restaurant expan-

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SEAFOOD

sion currently. Another chain undertaking significant growth mainly in the South, is L&N Seafood Grills, part of Morrison Inc.'s specialty restaurant division. The Mobile, AL-based concept opened nine units last year, giving it a total of 34, and plans at least seven openings this fiscal year.

Average annual unit sales have maintained at $2.1 million, says senior vice president Richard McGeoch. This actually reflects increased traffic, since the company deliberately dropped check averages by reducing some prices and adding lower-priced items.

"We felt our price points were a little too high," McGeoch notes. Since the change, the combined check average for lunch and dinner runs $12.50. Among the additions are an L&N Express lunch menu with six entrees priced $4.50-$7.95 and six sandwiches from $4.95-$5.95. The chain also added new appetizers, dinner salads, and four seafood and pasta dishes.

L&N considers itself a destination restaurant and although some units are in strip centers, the chain will concentrate in the future on freestanding sites. "A very upscale look is what we aim for," McGeoch notes.

Also on the upswing is Ralph & Kacoo's, Baton Rouge, LA, which has stepped up growth since being acquired by Piccadilly Cafeterias two years ago. Ralph & Kacoo's opened its eighth and ninth units in Dallas and Houston earlier this year, and plans to open a second Houston location in August.

In 1992, says Piccadilly vice president Mark Mestayer, the chain plans to open three to five units, taking it beyond its present three-state territory of Louisiana, Texas, and Mississippi.

The atmosphere at Ralph & Kacoo's is casual and "festive," with units sporting colorful decorations. The new locations, for example, all contain a number of rooms, each decorated with different themes. They include a Game room, with stuffed animals and birds, a French Quarter room, and an Audubon room featuring art by the Louisiana-born painter.

Two years ago, Mestayer adds, the chain introduced a heart-healthy menu section, featuring roughly a dozen items formulated with the help of professional dietitians.

"Our approach is a little different from most restaurants in that we don't offer just a heart-healthy entree, but an entire meal including salads, appetizers, entrees, and desserts." About 10% of sales come from that menu.

Ralph & Kacoo's emphasizes a fixed menu of steady favorites available year-round. "We're not a 'catch of the day' type place," Mestayer points out.

TAKE-AWAY. Another Southern enterprise gearing up for greater expansion is Bayport Restaurant Group Inc., Miami, operator of six Crab House restaurants and four Capt. Crab's Take-Aways in Florida and Georgia.

In April, Bayport announced an agreement to sell a 35% interest to a New York-based investor group that includes several restaurant veterans led by Martin Brody, former chairman and CEO and current vice chairman of Restaurant Associates. Conclusion of the deal would create an infusion of capital and expertise that could help Bayport step up growth considerably.

"We're looking for prime spots where we can target tourist, convention, and transit as well as local business," executive vice president Gary Scharps notes.

Independents still control the seafood segment.

Its newest unit, opened in 1989 in Orlando, is running at a rate of $5 million a year. Annual volume at the other Crab House locations ranges from $2 million to $3.5 million.

Bayport hopes to build new Take-Aways, too, but first needs to refine its concept, Scharps comments. The units feature an extremely wide assortment of products for a take-out operation, ranging from its signature bucket of garlic crabs to other from-scratch items including fresh fish, shrimp, snow crab, fried oysters and clams, conch fritters, sandwiches, and Key lime pie.

"As we roll the concept out farther away, we need to streamline the format with an eye to speed of service and ease of execution," Scharps explains.

UPSCALE. Elsewhere around the country, many higher-priced seafood restaurants are investing extra effort to maintain sales at previous levels.

Allston, MA-based Legal Sea Foods, owned by the Berkowitz family, is running about the same traffic level as last year, Roger Berkowitz says. "The difference is that we've been working harder just to stay even. One thing we're doing is investing internally, spending a lot of time and money training our people to provide better service. Traditionally that's an expense that is cut out in lean times."

The eight-unit chain is also upgrading the decor in several units. Check averages have held steady, although the restaurants have offered a series of all-inclusive dinners in the $14.95 price range, particularly in suburban units, to

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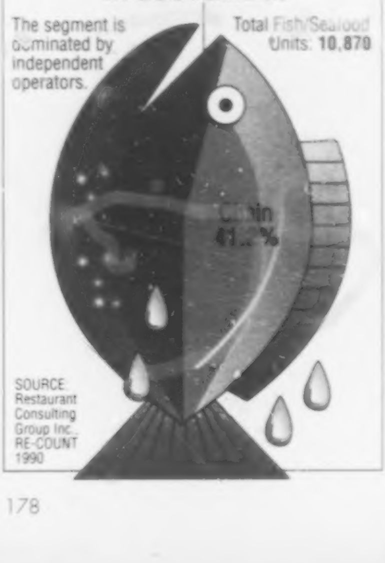
INDEPENDENTS REEL IN CUSTOMERS



SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

SEAFOOD

High-priced units are eyeing ways to lower costs.

provide some lower-priced options. The main new emphasis on the menu, however, is a "health line."

"We're identifying and featuring products that are low in fat, cholesterol, and calories, with some interpretation on the menu of what to look for healthwise," says Berkowitz, who hopes to open his first unit outside Massachusetts by the end of the year.

SPA CUISINE. Skipjack's Seafood Emporium, in Boston and Brookline, MA, has also spotlighted health this year. It introduced "spa cuisine" several months ago, which will be a long-term addition, co-owner Senior notes. Featuring entrees like steamed sole Provençale and grilled coho salmon with fresh salsa, the special menu provides information on the calorie, cholesterol, and fat content of the items, and was prepared with the help of a certified dietitian and nutritionist.

Skipjack's also anticipated the current downtrend in menu prices nearly two years ago, when it added a number of value-oriented items like seafood fajitas and pasta dishes to its menu.

Shaw's Crab House and Shaw's Blue Crab, owned by Chicago's Lettuce Entertain You Enterprises Inc., is continuing its strategy of building excitement and sales with a busy calendar of promotional events. One promotion last month highlighted a new farm-raised sturgeon, says managing partner Steve LaHaie. Another twist this year is its first nonseafood promotion, featuring native northern Illinois strawberries. Another annual event, its fall oyster promotion, was stretched into a week-long celebration last year.

LaHaie adds that the trend on the regular menu is to simpler foods, with an emphasis on lighter relishes and salsas to accompany the fish, and less use of butter and cream.

"We're definitely finding people are more price-conscious than a year ago," he adds. "At $20 for dinner, we haven't been hit as hard as higher-priced restaurants. But we have changed our lunch menu, adding more sandwiches, salads, and entrees below $10."

OPTIONS. Another restaurant that serves a lot of expensive fish, but is trying to broaden the mix with some low-priced options, is The Fish Market, Atlanta. The restaurant is part of the Buckhead Life Restaurant Group, which operates six Atlanta establishments. Checks average $14-$15 at lunch and $38-$40 at dinner. Co-owner and president Pano Karatossos strives for a better menu mix these days and steers servers away from "upselling." Karatossos says operators in inland cities need to search out specialty suppliers to stay on the cutting edge.

The Water Grill, opening this month in downtown Los Angeles, is the latest venture by University Restaurant Group. President King notes the Grill is an "American seafood restaurant" with special emphasis on the Pacific Northwest, "because that's where the most passionate seafood lovers are, and there is so much wonderful native product." A glassed-in kitchen features three tanks of live product, including Dungeness crab, spiny lobster, Maine lobster, and fresh live shrimp.

Another new concept opened recently in Chicago, Lobster Catchers, is owner/operator Arnie Pinkus's attempt to downscale prices and convey a higher price/value than his former Halsted St. Fish Market provided. While lobster has long been a high-priced item, last year's Maine lobster glut prompted Pinkus to use lobster as a leader.

The restaurant offers customers a choice of five lobster preparations: grilled, steamed, Fra Diavolo, Thermidor, or baked stuffed. The introductory price for a 1-lb. lobster was $9.95. Prices have since risen somewhat. The menu also features 15 to 20 other varieties of seafood daily, plus nonseafood items. Open for dinner only, its checks average $17.

"We saw an opportunity to market what had been an extravagant item at a reasonable price," Pinkus says. **RB**

Stouffer's Parker's Lighthouses are casual, yet pricier than its Rusty Scuppers.

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A BILL PUBLICATION

RB
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(Left to r.): Tom Glasgow, Ed Rensi, and Michael Goldblatt in McDonald's test kitchen, Oak Brook, IL

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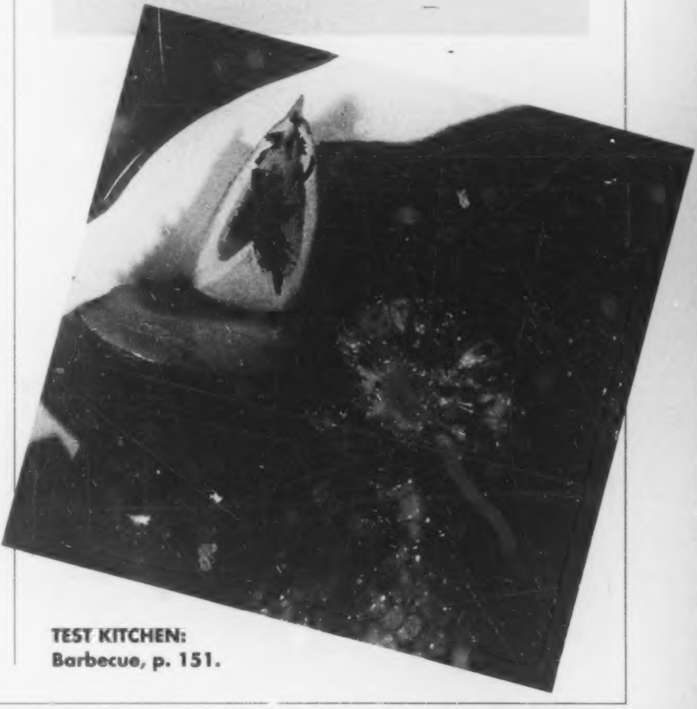

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Genuine Barbecue
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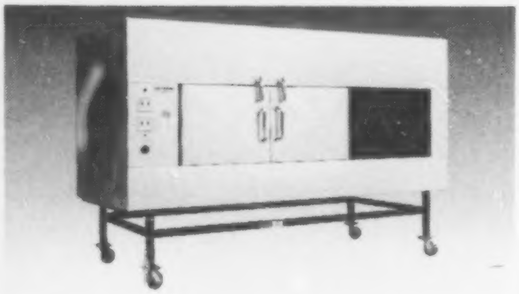

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Arturo Torres Vs. Pizza Hut

Pizza Hut franchisee Arturo Torres has major gripes.

A bitter, five-year legal battle between PepsiCo Inc., parent company to Pizza Hut, and Cuban-born Arturo Torres, one of Pizza Hut's largest franchisees, is becoming more heated and the punches are landing harder.

Torres, president of San Antonio-based Pizza Management Inc. (PMI), which owns approximately 250 Pizza Huts in Texas, Puerto Rico, and Spain, has recently been joined in his fight against PepsiCo by the Hispanic Congressional Congress, which has launched an inquiry into the matter since PMI is one of the largest Hispanic-American owned businesses in the U.S.

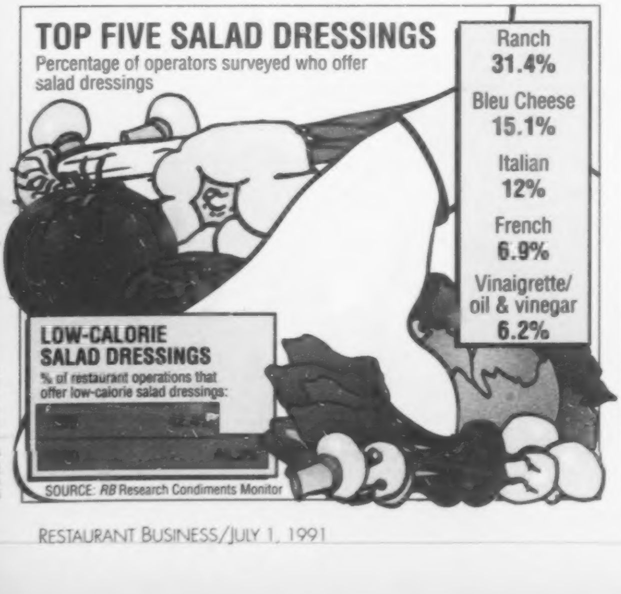
The feud dates back to 1986, when PMI filed a $100 million lawsuit against PepsiCo for blocking it from going public. PepsiCo countersued, seeking to terminate PMI's franchise agreements, claiming they had been violated. Both suits are still pending.

PepsiCo contends Torres must retain at least a 51% interest. But Torres maintains that requiring that minimum makes it difficult to acquire other franchisees and that Pizza Hut has in effect created a buyer's monopoly. National Pizza, a large public company in the Pizza Hut system, agreed to hold a 51% ownership minimum.

PepsiCo, meanwhile, recently rejected Torres' request to operate a potentially lucrative Pizza Hut at the 1992 Olympic Village in Barcelona, Spain, where PMI already operates nearly 20 units. PMI charges the refusal is in retaliation for the lawsuit. PepsiCo wouldn't comment on the Barlecona rejection.

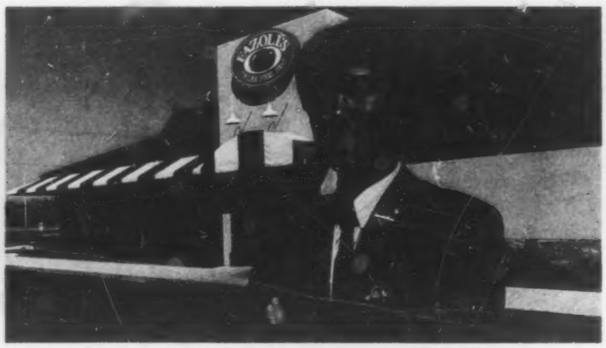
But Ken Ross, PepsiCo's director of public relations, did deny discrimination was practiced by PepsiCo. "It's just that we strongly believe that requiring our franchisees to maintain at least a 51% interest is the only way we can ensure that our restaurants maintain the quality of their service and their food," he said.

–Don Nichols



SOURCE: *RB* Research Condiments Monitor

CHART BY SHARI FANG



Japanese-born Kuni Toyoda is revving up the small Italian fast-food chain Fazoli's, once owned by Jerrico Inc.

Asian Revives Italian Concept

He was born and reared in Japan, but Kuni Toyoda is all-American now. Proof of that is in the pasta—the pastas and pizzas that are served in Toyoda's 12 fast-food Italian restaurants known as Fazoli's.

Fazoli's was stalled at five units a little more than a year ago when Lexington, KY-based Jerrico Inc. was looking to sell its floundering Italian restaurants to reduce its debt. Toyoda, who had not long before overseen Long John Silver's expansion into Japan for Jerrico, saw an opportunity to grab the American dream. "Italian and Chinese are two of the biggest untapped segments," he says.

Toyoda found financing from Duskin Co. of Japan and closed a deal. He named his new company the Seed Restaurant Group and set out to expand Fazoli's beyond the green pastures of Kentucky.

But first, he added combination meals and specials to reposition Fazoli's as a value chain and introduced supportive television advertising. Average unit volumes are about $800,000, he says.

Since March, Toyoda has opened four Fazoli's in Florida. The first Florida location, opened in the greater Orlando area, broke lunch sales records. Toyoda says he wants to add more units in Central Florida and expand into Ohio and Tennessee.

"We want to become the leader in the Italian fast-food market," says 40-year-old Toyoda. With popular pasta dishes such as spaghetti, lasagna, ravioli, baked ziti, and chicken cacciatore selling for between $1.89 and $3.69, coupled with Toyoda's driving business acumen, that goal may become more than just a wistful dream.**–M.A.**

RISKY BUSINESS

Sites & Saturation

With a dense restaurant population and rising real estate prices, site selection has become tougher than ever.

Kentucky Fried Chicken intends to expand its business through the construction of nontraditional sites, such as this funky unit in Los Angeles (l.) and limited-menu kiosks.

BY KEVIN FARRELL

Although everything from the overall economic picture to the items on menus has changed radically in the restaurant industry, one maxim remains: The three most important components of success are "location, location, and location." Faced with market saturation and astronomical real estate prices, restaurant chain executives who select sites for future building say that their jobs have become riskier and more difficult, but the tools they work with have become more dependable and sophisticated. These days, combinations of demographics, psychographics, census figures, computerized sales projections, and consultant's reports are joined to old-fashioned "gut feelings" to yield decisions on where to locate a restaurant.

"It's almost like warfare," confides Lane Cardwell, senior vice president of strategic development for Dallas-based Brinker International, the owner of 240 Chili's. "But," he adds, "the weapons are changing."

Cardwell and other chain executives with site selection responsibilities point to new—and less expensive—data bases that contain information on everything from the standard measures of income and education to such esoteric subjects as lifestyles and even dog ownership. And now much of this information is available for very small parcels of land, including single city blocks or suburban streets. Whereas census tracts used to be the standard measure, now "Zip plus Four"—which can often contain as few as 15 households or only one business park—is the area that is more widely used to gather information on people.

GREATER PRECISION. The trading area, or amount of space that an operator sees as its primary market, is rapidly shrinking. In addition, with the proliferation of chains and changes in consumer lifestyles, people are less likely to travel as far to a restaurant. Or, they want the convenience of staying on the side of the street they are already traveling on, and they want their food delivered

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Pizza Hut is moving away from traditional stand-alone, red-roofed buildings and are branching out with delivery units, kiosks in malls, and junior high school cafeterias.

quickly to their home. As a result, decision-makers have to be even more precise in determining where new restaurants should go.

It's simple to see why this has happened," says Dick Williams, senior manager of National Decision Systems, a site selection consulting firm that counts over 40 of the top 100 chain restaurants among its clients. "The stakes are higher, so people want better information on which to base their site decisions. Markets are more saturated, quality sites are scarcer, and mistakes in site selection are intensified because of the cost. Naturally, chains want to avoid mistakes, so they use our models or models they put together themselves to tell them if a site fits the criteria that they have selected for success."

Of course, the systems are far from fool-proof; a brief drive around any American city reveals a number of shuttered restaurants. "But, on the whole, we're probably making fewer mistakes than we made before," says Maurice C. Robbins, vice president of development operations for Rocky Mount, NC-based Hardee's Food Systems. Hardee's uses what Robbins refers to as "all the latest techniques" in siting its restaurants. These include demographic and psychographic data bases, consultant appraisals, and sophisticated traffic pattern analyses. But, adds Robbins, "It often comes down to a simple question that we ask ourselves before going into a location: 'Would I invest my own money in this site?' That's the clincher, and it's ultimately a gut feeling for the location."

'It's almost like warfare, but the weapons are changing.'—Lane Cardwell, Brinker International

And, more often than not, new restaurant sites are in what are coming to be known as nontraditional locations. "You've got selected saturated markets and other factors working here," says Bill Hale of The Hale Group, a restaurant consulting firm. "One outcome of that is that chains are turning to other types of sites to build restaurants." Among them: turnpike rest stops, colleges, business and industry locations, airports, hospitals, high schools, grammar schools, military bases, and drive-thru only or walk-ups.

Some chains that, in the past, were only located in shopping malls—such as Atlanta's Chick-fil-A—are now branching out and building freestanding locations. Others—like Pizza Hut—are moving away from their traditional stand-alone, red roofed buildings and into delivery units, kiosks in malls, and junior high school cafeterias. Hardee's has just decided to begin pursuing sites on military bases, and is about to open its first, in Fayetteville, NC.

NONTRADITIONAL SITES. According to Hale and other consultants, as well as chain executives involved in site selection, the economics of the restaurant industry today dictate the use of more nontraditional sites. "If you're looking for a sensible return on investment," says Hale, "You've got to look to other kinds of sites besides the traditional one-acre parcels on which you put a $1 million-plus building. With growth in the industry coming from off-site consumption, it just makes sense to go to sites that require less investment, but will yield a two-to-one (or better) sales to investment ratio."

Louisville, KY-based Kentucky Fried Chicken (KFC) provides a good case-in-point of how a major chain intends to expand its business through the construction of nontraditional sites. KFC plans to double its current size of 5,000 restaurants to 10,000 by 1999, and the majority of new units will be in nontraditional locations, including limited-menu express stops, kiosks, schools, colleges, food courts, and snack shops. "There are enormous opportunities for us in secondary markets and specialty markets," says Don Parkinson, senior vice president of worldwide development for KFC. While KFC executives will not detail the precise numbers of nontraditional to traditional units it will build between now and 1999, Parkinson points to the availability of smaller sites and the lower investment required by them as significant reasons for the emphasis on nontraditional locations. "We're now prepared to provide a totally different interpretation of the KFC experience in totally different markets," he adds. "Also, you can't do traditional approach-

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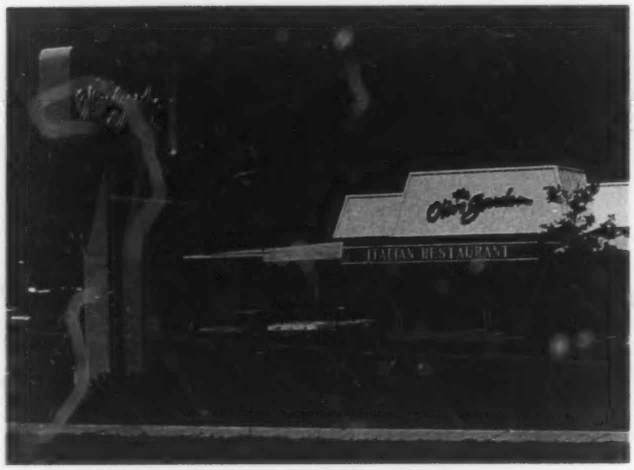

To reduce development costs, The Olive Garden Italian dinnerhouse chain purchases closed restaurant sites and converts them to its own units. At the same time, the company is moving into new markets.

es for nontraditional customers. This business is no one-trick pony any longer."

DISTRIBUTION POINTS. John E. Martin, president and CEO of Irvine, CA-based Taco Bell Worldwide, which recently displayed a modular version of its unit at the National Restaurant Association Show in Chicago, bluntly states that "the future of the fast-food business lies in expanding the definition of distribution points. We will be willing to go virtually anywhere to sell our products to people."

Like its sister divisions of PepsiCo, Taco Bell has an extremely aggressive 10-year growth strategy, planning to virtually double in size, based in large part on the development of nontraditional sites.

Just about every major chain—as well as many niche players and independent restaurants—have re-evaluated their site selection criteria in light of rapidly shifting demographics, changing consumer preferences, escalating real estate prices, and more restrictive zoning requirements. "We used to be able to put a new restaurant just about anywhere," says Lee Cohn, founder and president of Big 4, a $20 million group of restaurants based in Phoenix. "But now the business is tougher in general, so we're looking for better real estate. We look for triple A locations, with visibility, residential components, commerce, and excellent future growth projections. It all goes into the process."

Chains have re-evaluated their site selection criteria in light of changing consumer tastes and soaring building costs.

SEAT OF THE PANTS. But, for Cohn, as well as many other small chains that don't have access to the sophisticated tools used by the national chains, "seat-of-the-pants" site selection is more often the rule. "We sit outside restaurants in the neighborhoods we are considering, and we count cars," admits Cohn. "We also use the presence of other restaurants in an area as a criteria. We can judge our business from theirs. We especially look for direct competitors, such as Friday's or Houlihan's." Cohn also sends people into his competitors' restaurants to gather information. "We spend time in the restaurants, get to know the customers, get the numbers and sales histories from may be striking up conversations with managers or their assistants. It's easy to get that sort of stuff, and we can base our decision on locating somewhere based on it."

But, he adds, "nothing can replace having a 'feel' for your market," something that Cohn and his management team have clearly developed for Phoenix. Currently, Big 4 is building a sports bar called "Gim's" in a former Friday's location. Seating 250, it will open in the fall, and Cohn expects first-year sales of $3 million, even in a very tough Phoenix market. "We expect to do significantly better than the previous owners," he says.

For the major chains, the basic site selection criteria remains similar to what it has already been. Roger Rydell, a spokesman for Wichita, KS-based Pizza Hut, says that "We look first for safety and security, then at the number of households, and then at income levels in those households." He points out that Pizza Hut's standard trading area has been rapidly shrinking as the chain builds more take-out and delivery-only units. "For example, in New York City, we have a minuscule trade area because of the density of the population. It may be only one building that a unit is dedicated to."

For Hardee's, the trade area varies depending upon the market. "We might look for a 25,000-person trade area for a unit," says Robbins, "But we would also consider a 5,000-person trade area if it was the county seat or a business center in a rural area. We learned to be flexible."

TRAFFIC GENERATORS. Other chains with less penetration than a Pizza Hut or a Hardee's have different kinds of criteria. Cardwell of Chili's reports that his chain looks for "built-in traffic generators, such as hotels, business parks, retail centers, and residential neighborhoods. If we can get a good mixture of those things, so much the better," he adds. "We're really interested in seeing 'good shopping' in an area we're looking at," says Don Perry, a spokesman for Chick-fil-A. Chick-fil-A has 450 units, and has recently built 28 freestanding units, primarily in its home market of Atlanta. The freestanding unit yields over $1 million annually compared to the $600,000 generated by its mall loca-

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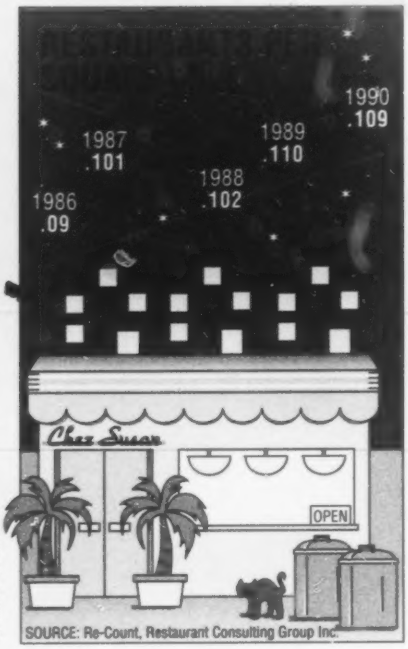

SOURCE: Re-Count, Restaurant Consulting Group Inc.

CHART BY SHARI FANG

tions. "We were finding our mall-only strategy limiting," admits Perry. "There are fewer malls being built these days, and we wanted to broaden our base. There has been no new mall built in Georgia in five years, but we've doubled in size in Atlanta in that time. We've had to change our philosophy," he adds.

Malls have become problematical for many big chains. "A mall location, for us, has to be real special to make up for the loss of drive-thru business and the absence of breakfast," says Robbins of Hardee's. Many chains depend on drive-thrus for up to 50% of their business, and malls don't offer that kind of convenience.

Denver-based Bakers Square Restaurants look for high-growth and high traffic areas, according to Larry P. Gadola, vice president of development for the VICORP division. "We have certain financial hurdles we have to meet, and they are strictly enforced. If our average volume is $1.8 million, we don't want to open units doing $1.2 million or $1.3 million. It just doesn't make sense." The site selection process at Bakers Square, as a result, is rigorous. "We're not built out, so we can go into places that other chains can't go," says Gadola, adding that "It gives us more flexibility. And we're willing to pay a little more for a site if we know that it will generate the kinds of numbers we want." But, says Gadola, his job has become even more difficult because of requirements that local governments are placing on new development. "Especially in California, which is very important for us, there are often difficulties with sewer access and water availability," he says. "If I find a great site but the local town council wants a $150,000 sewer hook-up fee and another $100,000 in improvements to the intersection, that all goes into the equation, and it may nix the deal."

With ever-changing demographics, chances are good that site selection will continue to be an evolving issue.

Olive Garden, the 250-unit chain of Italian dinnerhouses operated by General Mills, is pursuing a two-pronged growth strategy in which it moves into new markets as well as fills out markets it already operates in.

"It is probably fair to say that no place is off-limits for Olive Garden," says Gordon A. Hinzmann, director of market development for General Mills Restaurants. Partially to reduce development costs, Orlando, FL-based Olive Garden has purchased a number of closed restaurant sites to convert to its own units. "The advantage in opening in a closed location or buying out an existing restaurant is that we eliminate a competitor," says Hinzmann.

WEIGHTS AND VARIABLES. Hinzmann also handles site selection for General Mill's Red Lobster division, "and we look for entirely different kinds of opportunities there," he says. With Red Lobster, we're now going to smaller markets, so we've changed the definitions of exactly what we're looking for. We give different weights to different variables in the mix. For example, we may give more weight to the number of households outside our traditional trade area for the downsized unit, because we know that we'll draw more people from further away. We tend to look more at the strengths of the entire market, not just a small part of it."

The new, down-sized Red Lobster is 2,000 sq. ft. smaller than the traditional unit, offering 40 fewer seats and no bar. The chain plans to build three of these restaurants in 1991.

With consumer preferences changing and the other pressures on the restaurant industry continuing, chances are good that site selection will continue to be a rapidly evolving area. While it is clearly trying to become more scientific, it remains an art form. "We've tried to make it as rational as possible," says Robbins of Hardee's site selection process, "But often it just comes down to: 'Am I comfortable with this location? It's a question of gut feelings." RB

'We used to be able to put a new restaurant just about anywhere, but now the business is tougher.' —Lee Cohn, Big 4

For more information on the Beef Industry Council circle number 55→

ASIAN

MARKET SEGMENT REPORT

There has never been a successful national chain.

By Diane Kochilas

To many observers, the Asian segment is poised where pizza was 20 years ago: on the verge of an explosion in growth, especially for startup chains. Asian food encompasses Japanese, Thai, Vietnamese, Korean, Polynesian, and myriad other Far Eastern cuisines, but the segment is dominated by Chinese, and most of the growth activity is taking place in the Chinese-food sector. The market is also dominated by independents, and as in the pizza segment, they will be most threatened by the incursion of chains.

While sales and unit counts in the restaurant industry remain static as a whole, the Asian segment is enjoying growth across the board. Sales overall for the segment went from $7.2 billion in 1989 to $7.5 billion in 1990, according to CREST data from NPD Group in Park Ridge, IL. Quick-service Asian restaurants benefited the most, enjoying a 15% increase in traffic in 1990 over 1989. Traffic counts for midscale Asian restaurants rose 5% in 1990 over the previous year, casual-dining traffic counts grew by 3%, and fine dining by 4%.

New unit growth, while not in the double digits as it was during the late 1980s (largely due to the influx of Asian immigrants as well as increased popularity of ethnic food), followed suit. In 1990, the number of Asian restaurants grew by about 5%, to more than 23,000 units, according to Restaurant Consulting Group.

NEVER NATIONAL. One of the enigmas of the Asian segment is that even though the food has been popular for years in America, there has never been a national chain. This, despite the fact that Chinese food is the second most popular ethnic food eaten in restaurants, according to studies by the National Restaurant Association. One reason why a national chain has yet to emerge is in the nature of the independents that dominate this segment. "The Asian market has traditionally been led by mom-and-pop operators," says Norman Shum, CEO of the 13-unit China Belle, based in Dallas. "These entrepreneurs work their concepts very hard, but they don't grow them."

Yet, even large companies have not been successful with an Asian

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The Benihana Japanese dinnerhouse concept focuses on exhibition cooking at teppan grills set into table tops.

ASIAN

MARKET SEGMENT REPORT

concept. "Many have tried and failed to establish themselves nationally," says H. Stuart Erickson, a former Subway Sandwiches & Salad franchisee who founded the four-unit Asian chain, Gung Ho, in Minneapolis, in 1990.

"There is no monolithic force driving the industry yet," says Robert J. O'Brien, director of sales and market development at CREST.

Erickson explains that the cuisine is inherently complex. "It's difficult to find people who know how to cook good Chinese food," says Erickson. "And, when you do, they usually have their own way of doing things. It's difficult to control the consistency and quality."

Chuck Miller, founder and president of Hop Too's of America, based in Fort Lauderdale, FL, agrees. "One reason why it hasn't taken off yet," says Miller, "is that Chinese food is more complicated to make than, say, pizza."

While wok cookery may not in itself be difficult, observers note, the preparation is labor-intensive. With mom-and-pop restaurants, labor costs are traditionally low because whole families usually work the business together.

WHAT NOT TO DO. In 1985, two food giants tried their hand at Asian concepts: General Mills bought Minneapolis-based Leeann Chin, and Pillsbury acquired Dallas-based Quik Wok. In both cases, the corporate cultures just did not work to expand what were essentially mom-and-pop operations.

General Mills sold its Asian chain back to founder Leeann Chin in 1988. Says Chin today: "General Mills was concentrating on its fledgling Olive Garden chain at the time, and just didn't think very hard about expanding my concept. They made some mistakes. They shut down the $1 million central kitchen and contracted all the prep work out. That hurt quality."

The cuisine is complex and labor intensive.

Today, Chin has moved back to the commissary strategy. She owns and operates 10 units, all in the Minneapolis/St. Paul area, and hopes that within three years she'll have locations in at least one other city.

With Quik Wok, which also still exists, the Pillsbury bungle seems a little more complex. "They bought it from the original owners in 1985," says Steven Zipkoff, director of marketing and franchise development for the Dallas-based chain. "My own speculation—well, let's just say they tried to run it like a Burger King chain."

One former Pillsbury-era Quik Wok executive is more precise: "Before Pillsbury came in," he says, "you could open a Quik Wok with a $400,000 investment. The Quik Woks that Pillsbury put together cost $900,000 to open. The new buildings were much too big, twice the size of the original units.

"Another mistake they made," he continues, "was that before they had a handle on the concept, they rushed into home delivery. That was a fiasco. Instead of taking what was a very good idea and growing it, they tried to put their corporate stamp all over it."

Quik Wok was sold again in 1989 to Paul Lee, a Dallas businessman. One franchisee runs all 14 Quik Wok units (six in Dallas and eight in San Antonio).

Today, average check at Quik Wok is $4.80, and each unit has about 70 seats. The company hopes to grow through franchising. The franchising fee is $20,000, with total cost for putting up a unit between $125,000 and $180,000.

General Mills is currently testing a freestanding Chinese dinner-house concept in Orlando called China Coast. The Chinese entrees fall in the $8 to $11 range. While General Mills spokesman

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GUNG HO
GUNG HO
GUNG HO

The Gung Ho chain preps food at a commissary and finishes it in units.

Charles Tate was reticent even about the number of seats in the test unit (between 250 and 300), he did say General Mills was pleased with its China Coast concept so far.

IT'S HEALTHY. Steve Zagor, a restaurant industry analyst with Coopers & Lybrand in New York City, voices what is perhaps the single most important reason why Asian food is gaining popularity. "It is perceived as a light cuisine," notes Zagor. "It can cloak itself in an aura of healthfulness.

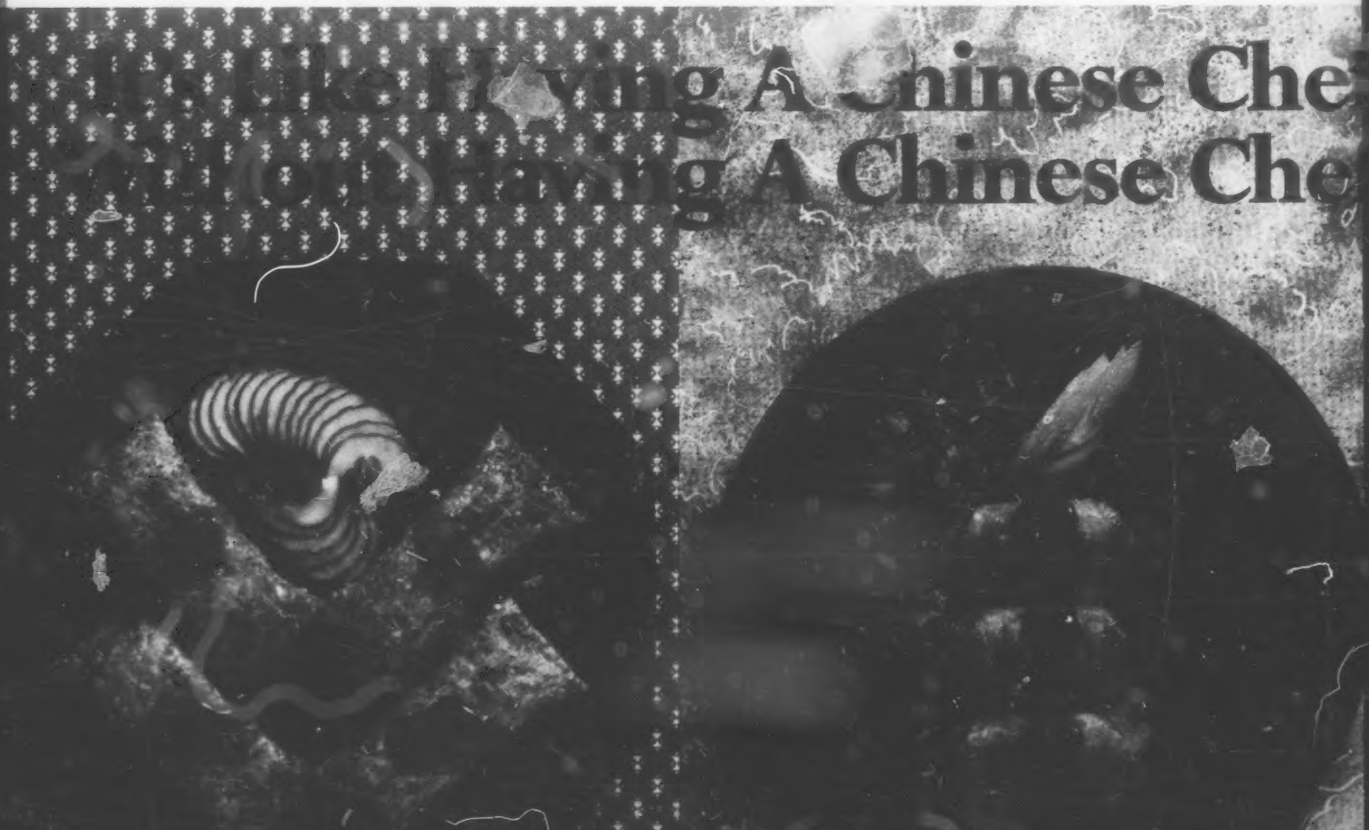
Many operators second Zagor's view.

"Asian food is always perceived as healthful," says Shum, who markets his China Belle concept with that image.

Even traditional American-food concepts, such as the Denver-based Bakers Square, are cashing in on the perceived healthfulness of Asian cookery. "Our prime feature is pie," explains Tom Wirt, executive vice president of marketing. "But we added stir-fried items to the menu a few years ago. For us, stir-fry fits well with the calorie tradeoff phenomenon. People perceive it as light, so they can justify eating dessert." Bakers Square offers chicken and beef stir-fry, a chicken fajita stir-fry, and a vegetable stir-fry. The average stir-fry dinner, with soup, salad, and bread, runs about $6.50, says Wirt.

Red Robin, a 70-unit American family-style chain based in Irvine, CA, added what food and beverage director Monte Loiacono calls "Asian flavor profiles" to its menu several years ago, too. "We take, say, a teriyaki sauce and apply it to stir-fry salad. We also have a stir-fry pasta primavera with noodles," he says. Red Robin also serves tempura fish & chips, Shanghai chicken and beef on skewers, and a teriyaki chicken burger topped with pineapple.

Dallas-based TGI Fridays added potstickers to its menu in the early 1980s. In 1990, several Asian-inspired dishes were added to the menu, too, says spokeswoman Rebecca Klustner. The company developed a Thai chicken appetizer—strips of chicken marinated in pineapple juice,



soy sauce, and honey, charbroiled, and served atop noodles with peanut sauce—which it menus for $4.95 to $5.25. A Thai chicken salad was also introduced.

THE RIGHT STUFF. While the advent of Asian items on American menus may be just another signal that this cookery has hit the mainstream and that full-fledged Asian chains will be cropping up quickly in the wake, there are as many philosophies about what kind of concept will have what it takes to grow nationally as there are varieties of rice.

For any chain operation to succeed in the Asian segment, the preparation and cooking systems must be cost- and labor-efficient, and the product must be consistent. It must also be flexible enough to suit regional preferences. Unlike the mom and pops, many start-up chains opt to have most prep work done in a central commissary.

For Erickson and his Gung Ho chain, the key to a strong expansion vehicle is convenience. "We're selling convenience," he says. About 30% of the people who eat at Gung Ho come to us for food," notes Erickson. "The 70% major-

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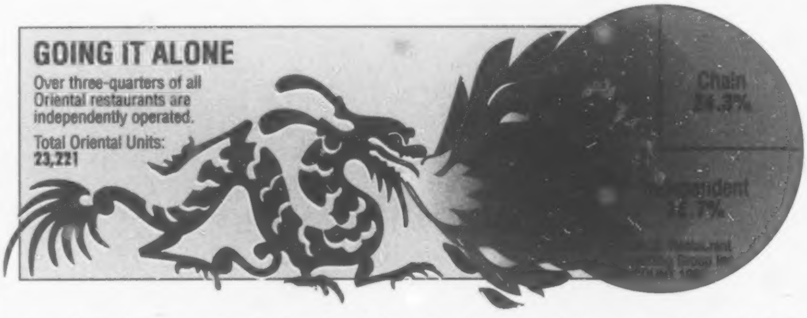
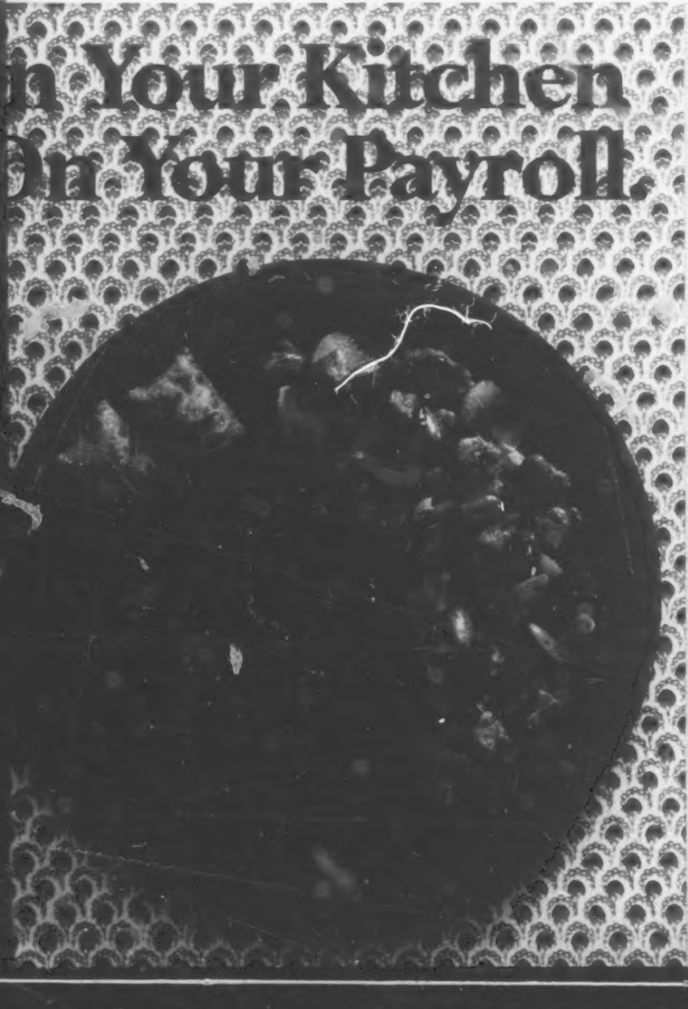
GOING IT ALONE

Over three-quarters of all Oriental restaurants are independently operated.

Total Oriental Units: 23,221



CHARTS BY SHARI FANG



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For information circle number 153

ity comes to us because it's easy."

In keeping with his convenience-oriented philosophy, Erickson is developing hand-held Chinese food, such as stir-fry dishes wrapped in wonton skins that he'll sell for about $3.50. All meats and vegetables are prechopped at the commissary, then portion-packed and kept in a refrigerator near the wok station. "All a cook has to do is dump a bag of meat and a bag of vegetables in the wok, add some sauce, and, *voila!*, in 60 seconds you've got a meal."

DELIVERY. At Hop Too's, the buzz word is delivery. "We're trying to attract the people who are tired of pizza, pizza, pizza as the only delivery food," says Hop Too's Miller. There are 45 rotating entrees, seven appetizer selections, three soups, dessert, and beverages on Hop Too's menu. Takeout accounts for 15% to 20% of sales; delivery accounts for the remainder. An average unit will take in about 100 delivery orders a day, he adds, and average check is $15, which includes a small delivery charge and is usually shared between two to three people.

Miller, who opened his first unit in 1987, says he believes in controlled growth. Of the eight Hop Too's units, five are franchised. "We will add 10 new units by the end of the year."

Another concept poised for expansion is the two-unit, cafeteria-style Mr. Wok Express, based in Hilliard, OH. It was started by Mark Pi of Mark Pi's International also based in Hilliard. Pi runs several concepts: 21 full-service restaurants called Mark Pi's China Gate, 10 Mark Pi's Ancient Woks, and his new Express concept.

Pi opened the first Mr. Wok Express in December, 1990. Both units are located in shopping strips and have about 50 seats each. There is a steam table behind the counter that people can see, notes Mark Pi Jr., the owner's son.

Mr. Wok Express has a rotating menu of about 36 items, including weekly and daily specials. Checks average $6 per person. At present, he says, the company is in the process of completing and implementing an operations manual and hopefully by year-end will be able to begin franchising.

Toronto-based Manchu Wok boasts 189 units in the U.S. and Canada.

One key reason for the cuisine's popularity is its perceived healthiness.

Miami's Samurai Sam Jr., founded by Florida restaurateur Sid Shane in 1988, combines Chinese and Japanese food on its menu. Shane also offers a Korean specialty. For Shane, delivery is a key selling point. "Our gimmick is our package." All meals are packed for delivery in a black-and-amber plastic, microwavable container." Each Samurai Sam Jr. unit has about 25 seats, but a whopping 70% of business comes from delivery. Shane also offers drive-thru service.

The units are decidedly non-Asian in decor. "Basically, the units are little more than a counter and an open kitchen. Red, black, and white make up the color scheme, with a fair dose of neon to brighten things up.

Four of the five Samurai Sam Jrs. in existence are franchised, and Shane hopes to use franchising as his vehicle for growth. The franchising fee for Samurai Sam Jr. is $25,000. The average overall startup cost, including the fee, is $125,000, plus 5% royalty. The average delivery check is $17, usually divided among two or more diners; the eat-in check averages $7 per person. Currently, says Shane, an average unit brings in about $2,000 a day, gross.

THE MANCHU DYNASTY. While there are literally dozens of small chains, with two, five, or a dozen units, aiming for national presence, one company seems to be ahead of all the rest: Manchu Wok. Manchu Wok is a Toronto-based company owned by Scotts Hospitality, which operates 189 units in the United States and Canada and is growing by about two a week. Of the 189 units, 81 operate in 23 states across the U.S.

Manchu Wok began as a food-court concept. In the United States, 55% of the units are in malls, and to date, 90%

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of the units in America are company-owned. But Manchu Wok is on an aggressive growth track, and plans to speed up expansion through franchising. "Within two years," says company president and CEO, John Tobin, "70% of our units will be franchised."

Tobin says most of Manchu Wok's U.S. growth will be focused on both coasts. "One-third of all Asians in America live in California," he explains. His largest unit in terms of volume is in Seattle. It brings in $1 million a year.

The company's strategic plan calls for 1,000 new units, the bulk franchised, in the U.S. and Canada by 1996. Two-thirds of the units will be in the United States, says Tobin. Based on the strategic plan, food courts will continue to account for the majority of units, but the company is also exploring in-line units with 40 to 50 seats for malls; nontraditional sites; take-out and delivery units; and acquisition of existing chains.

The franchising fee is $30,000, with a royalty of 6%. Average check at Manchu Wok is $4, and the company has a stable of about 40 rotating menu items. The units' decor is Asian-inspired with lacquered finishes, rice paper motifs, and a lot of wood.

While most of the activity in the Asian segment is centered on upstart chains vying for market share, there has been a quiet revolution underway in the upper end of the market.

As Clifford Chow, general manager at San Francisco's Harbor Village restaurant says: "The new immigrants, namely the moneyed classes from Hong Kong, are coming to America and bringing their innovative, expensive restaurants with them," says Chow.

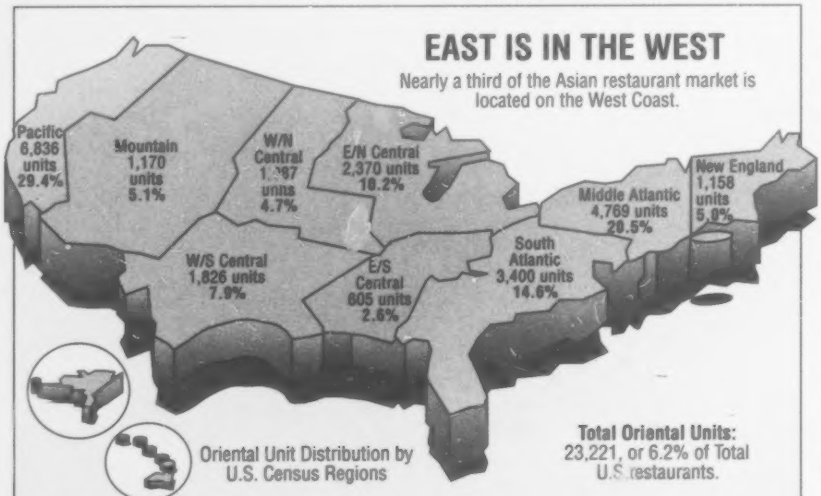
At Harbor Village, his Hong Kong-trained chef makes a dish called imperial lobster: lobster stir-fried in butter and finished off by braising in a stock. It sells for about $18 per lb.

Upscale oldtimers like Benihana of Tokyo and Trader Vic's are also undergoing some changes.

For Miami-based Benihana, which is a Japanese dinner-house concept with 51 units in the United States (eight of which are franchised), business over the last few years has been "stable," says director of public relations and marketing, Keith Card.

The company is looking to move into smaller, more suburban markets in an effort to revitalize business, and it recently established the Benihana club, a discount program for frequent diners. "Our strategy right now is to maintain market share, but we will not be changing the concept dramatically. We are still largely a special occasion restaurant, but we capture a good portion of the business traveler market. Why should we change a sure thing?"

Segment sales reached $7.5 billion in 1990.



EAST IS IN THE WEST

Nearly a third of the Asian restaurant market is located on the West Coast.

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

For others in the upscale segment, though, change is the tune of the day. One of the oldest Asian upscale restaurant chains is Trader Vic's, founded in 1927 and based in San Francisco. Under the stewardship of CEO Didier Peyron, the company is in the midst of revamping and altering its concept to attract a younger market.

"We will go to freestanding restaurants," says Peyron, "in a break from the traditional hotel operation. Our new units are bright and fun."

Peyron hired designer Adam Tihany to modernize Trader Vic's design. The first new unit in the U.S. is in Oakland, CA, and will be open by year-end.

Although Trader Vic's brought Polynesian food and drink to the fore, the new concept will have a revamped menu with lighter fare, "But everything will be exotic," says Peyron. The menu will include Chinese caviar, house-smoked salmon, and California foie gras with an Eastern twist—ginger.

Prices are downscaled, too, in hopes of attracting a younger, livelier crowd. Entrees will be in the $14 to $18 range.

For its revamped concept, Trader Vic's franchising fee is $75,000, with royalties at 5% of gross.

WRAPPING UP. Overall, there seems to be a cultural revolution afoot in the Asian restaurant market. With so many different concepts competing for market share and national presence, the next few years will be active ones. But there's a long way to go before a Taco Bell of the Asian market emerges. **RB**

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JULY 20, 1991
A BILL PUBLICATION

RB
RESTAURANT BUSINESS

DISTRIBUTORS AND OPERATORS: FRIENDS OR FOES? 106

MENU IDEAS: LITE MENUS 207

MARKET SEGMENT: STEAK 159

Top 50 Growth Chains 117

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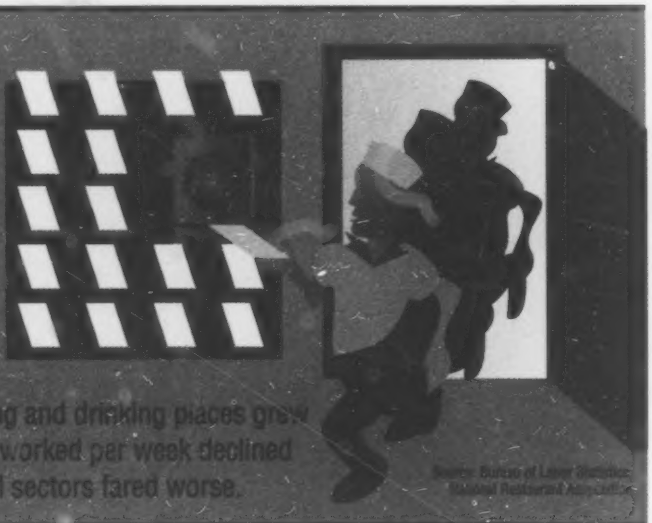
BUSINESS BAROMETER

Retail Employment Changes

% Change, Feb. 1990-91	No. of Employees	Average Weekly Hours
Eating and drinking places	+0.7%	-1.6%
Food stores	+1.1	-1.8
Apparel	-7.4	-1.1
General merchandise	-4.7	+0.8
Total retail	-1.2	-1.1



The number of nonsupervisory workers at eating and drinking places grew in 1991, but the average number of hours they worked per week declined 1.6%, from 24.8 to 24.4 hours. Still, other retail sectors fared worse.

Source: Bureau of Labor Statistics; National Restaurant Association

Mergers and Acquisitions

Following the frenzied 1980s, the first year of the new decade recorded a relatively low number of mergers and acquisitions in food-related industries.

Number of Mergers and Acquisitions

	1986	1987	1988	1989	1990
Restaurant and foodservice companies	72	63	74	57	42
Foodservice distributors	31	26	31	29	22
Hotel and lodging companies	10	5	1	6	3
Convenience stores	21	17	18	16	15
Suppliers to the food industry	14	12	9	3	5

Source: The Food Institute

Hotel Trends

The national occupancy average dropped 0.7% to 65% by year-end 1990, while room rates increased 3.8% to an average of $72.83. Different regions of the country had their own ups and downs.

New England and [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
North Central	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
South Atlantic	[illegible]	67.1	-2.3	68.26	72.30	+5.9
South Central	61.7	63.4	+2.8	57.80	60.81	+5.2
Mountain and Pacific	65.5	65	-0.7	70.19	72.83	+3.8

Charts by Peter K. Niceberg

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COVER STORY

SPECIAL REPORT TOP 50 GROWTH CHAINS. Once again *RB* offers its exclusive report on the 50 fastest-growing chains. This year the criteria changed slightly: All chains with 1990 system sales in excess of $35 million are now eligible for inclusion. The result is a ranking of the 50 fastest-growing chains in America today. The number-one slot is held by Chevys Mexican Restaurants with 1990 sales growth of nearly 69%....................................**117**

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Cover design by Beth Meyers

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MARKET SEGMENT REPORT STEAK. It is difficult to talk about trends in the steak-house segment because the label now covers such a wide variety of operations. They range from the classic upscale steakhouse to family restaurants that have evolved so far from their original concepts that the term steakhouse hardly applies. Each category faces a different set of opportunities and challenges..............159

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COVER STORY GRADING FOODSERVICE EDUCATION. This in-depth report will serve as a users' guide to hospitality education. It will cover the history and growth of schools in this country and discuss the various types. Some current issues are the need for professionalism, the shortage of teachers, and the fight for accreditation. Industry experts and educators offer their opinions on everything from recruiting to continuing ed.; a list of all types of degrees will also be included.

MARKET SEGMENT REPORT CHICKEN. The battle for share of the chicken market is being fought on the menu boards as new products designed to capitalize on the popularity of chicken and its reputation as a healthy alternative to meat are taking center stage. Meanwhile, the price wars that have affected the Mexican and hamburger segments appear ready to break out among chicken chains as well.

TEST KITCHEN/MENU IDEAS PORK. No longer an afterthought on the American table, it's a full-fledged center-of-the-plate star.

TEST KITCHEN:
Lite, p. 207.

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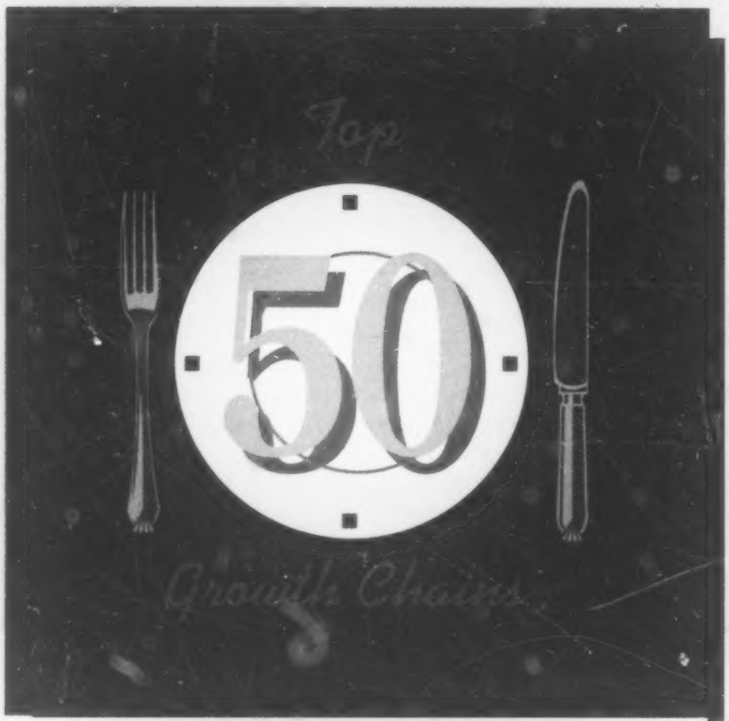
RB
COVER STORY


Top
50
Growth Chains

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Once again *RB* offers its exclusive report on the 50 fastest-growing chains. This year the criteria changed slightly: Previous issues excluded chains with system sales in excess of $300 million; this measurement is no longer being used. All chains with 1990 system sales in excess of $35 million are now eligible for inclusion.

The result is a ranking of the 50 fastest-growing chains in America today. The group is a diverse one: The number-one slot is held by Chevys Mexican Restaurants with 1990 sales growth of nearly 69% to K&W Cafeterias, with sales growth of over 13.5%.

Applebee's Neighborhood Grill & Bar, last year's fastest-growing company, saw impressive growth with a nearly 55% increase in system sales. The increase placed Applebee's in the number-two position this year. Rally's, 1989's top growth chain, enjoyed yet another year of sales growth in excess of 50%, placing number three in this year's ranking.

The Top 50 Growth Chains have a combined nominal sales of 21%—an impressive performance given that the entire Separate Eating Place industry managed just a 5.1% increase in sales.

Similarly, in total, the Top 50 had unit growth of 14.4%, compared to only 2.0% for the industry as a whole. Together, the Top 50 have U.S. sales in excess of $18.26 billion, representing 11.7% of total industry sales. This same group of 50 represented only 10.1% of the industry in 1989. In terms of units, the Top 50 operate and franchise 28,071 stores, or just over 72% of total industry units.

A wide variety of menu concepts is represented in the Top 50—everything from quick-service hamburger (Sonic Drive-Ins), to steak (Longhorn). Nineteen of the 50 can be considered "specialty" restaurants—operations that feature a menu specialty such as Mexican, seafood, or Italian food. This offers further proof of the fragmentation and diversity of the industry as a whole.

THE VARIETY OF CHAINS REPRESENTED IN THE TOP 50 OFFERS PROOF OF THE FRAGMENTATION AND DIVERSITY OF THE INDUSTRY AS A WHOLE.

Finally, the change in criteria created a large range of Top 50 chains in terms of overall size. For example, the list ranges from Pizza Hut, number 38, with system sales of $3.8 billion to Cinnabons World Famous Cinnamon Rolls, number 35, with sales of $44 million. Yet the Top 50 remains dominated by midsize and smaller chains. Only nine chains have system sales in excess of $300 million; these include Pizza Hut, Hardee's/Roy Rogers, Taco Bell, Little Caesars, Subway, Shoney's, The Olive Garden, Sonic and Chili's.

Given the relative size of these chains, their inclusion on a ranking by percentage increase in sales (as opposed to absolute dollar growth) is most impressive. They represent the kind of performance that the rest of the Top 50 and the industry as a whole, can aspire to.

Sales Rank	Chain	U.S. SYSTEM SALES ($000) 1990	U.S. SYSTEM SALES ($000) 1989	% Sales Change 1989-90	Avg. Unit Vol. ($000) 1990	U.S. System Units 1990	U.S. System Units 1989	%Unit Change 1989-90	Unit Rank
1	CHEVYS MEXICAN RESTAURANTS	51,033	30,213	68.9%	2,569	24	16	50.0%	3
2	APPLEBEE'S NEIGHBORHOOD GRILL & BAR	228,200**	147,700**	54.5%	1,682	160	113	41.6%	7
3	RALLY'S	203,043	132,619	53.1%	900*	297	192	54.7%	2
4	SOUPLANTATION/SWEET TOMATOES	41,000	27,000	51.9%	1,950	25	17	47.1%	4
5	I CAN'T BELIEVE IT'S YOGURT	65,990	44,850	47.1%	210	388	271	43.2%	5
6	THE OLIVE GARDEN	551,985	387,000	42.6%	2,743	228	170	34.1%	10
7	PIZZERIA UNO RESTAURANT & BAR	120,244	86,714	38.7%	1,650	86	63	36.5%	8
8	SUBWAY SANDWICHES	1,100,000	800,000	37.5%	260	4,777	3,937	21.3%	17
9	RUBY TUESDAY	226,100*	166,000	36.2%	1,700	133	98	35.7%	9
10	CRACKER BARREL OLD COUNTRY STORE	257,951	190,186	35.6%	2,920	97	79	22.8%	13
11	MOUNTAIN MIKE'S PIZZA	46,000**	34,000	35.3%	540**	71	60	18.3%	20
12	LEVY RESTAURANTS	80,000**	60,000**	33.3%	2,400**	33	30	10.0%	34
13	MAID-RITE SANDWICH SHOPS	48,000**	36,500**	31.5%	288**	150**	123**	22.0%	16
14	O'CHARLEY'S	53,075	41,707	27.3%	1,930	31	25	24.0%	12
15	SBARRO	250,000	196,600	27.2%	587	426	356	19.7%	18
16	OLD COUNTRY BUFFET	145, 236	115,376	25.9%	1,943	94	77	22.1%	15
17	ARK RESTAURANTS	47,984	38,355	25.1%	2,280*	21	20	5.0%	44
18	HOOTERS	75,000	60,000	25.0%	1,800	50	32	56.3%	1
19	CALIFORNIA PIZZA KITCHEN	35,000	28,000	25.0%	3,100*	16	12	33.3%	11
20	SPAGHETTI WAREHOUSE	40,000	32,000	25.0%	2,700	16	14	14.3%	27
21	DAMON'S	64,700	52,000	24.4%	1,700	40	34	17.6%	22
22	TS RESTAURANTS	38,450	31,000**	24.0%	3,204	12	12	0.0%	50
23	LITTLE CAESARS	1,400,000	1,130,000	23.9%	490*	3,173	2,700	17.5%	23
24	CHILI'S	440,383	357,004	23.4%	2,180	223	192	16.1%	25
25	SOUP EXCHANGE	56,730*	46,060	23.2%	1,830*	34	29	17.2%	24
26	L&N SEAFOOD	63,800*	52,800	20.8%	2,200	34	24	41.7%	6
27	TACO BELL	2,400,000	2,000,000	20.0%	771	3,227	3,082	4.7%	46
28	IN-N-OUT BURGER	39,300*	33,000*	19.1%	655*	64	56	14.3%	29
29	SHARI'S RESTAURANTS	50,000	42,000	19.0%	1,425*	45	43	4.7%	47
30	HUDDLE HOUSE	65,000	54,700	18.8%	375	195	173	12.7%	31
31	AU BON PAIN	70,179	59,136	18.7%	915	86	73	17.8%	21
32	T.J. CINNAMONS	59,000*	50,000	18.0%	255*	231	206	12.1%	32
33	RED ROBIN	146,000	124,000	17.7%	2,200	68	57	19.3%	19
34	BLACK-EYED PEA/DIXIE HOUSE	124,400	106,000	17.4%	1,570*	79	74	6.8%	41
35	CINNABONS	44,000	37,500	17.3%	305	145	127	14.2%	30
36	SONIC DRIVE-INS	454,579	390,195	16.5%	446	1,043	996	4.7%	45
37	HARDEE'S/ROY ROGERS	3,360,000*	2,900,000*	15.9%	940	4,022	3,291	22.2%	14
38	PIZZA HUT	3,800,000	3,300,000	15.2%	607	6,688	6,243	7.1%	39
39	THE OLD SPAGHETTI FACTORY	46,000	40,000	15.0%	1,769	26	24	8.3%	35
40	LONGHORN STEAKS	46,000	40,000	15.0%	1,900	24	21	14.3%	28
41	SHONEY'S	991,279	862,398	14.9%	1,422	734	680	7.9%	37
42	LETTUCE ENTERTAIN YOU ENTERPRISES	100,000**	87,000*	14.9%	3,570*	28	26	7.7%	38
43	BAKERS SQUARE	248,961	216,781	14.8%	1,464	170	159	6.9%	40
44	HOUSTON'S	93,000	81,000	14.8%	4,428	22	19	15.8%	26
45	RED ONION RESTAURANTS	57,000	50,000**	14.0%	3,700*	16	15	6.7%	42
46	PIETRO'S PIZZA	47,800*	42,000	13.8%	600*	80	79	1.3%	49
47	D'ANGELO'S	67,500*	59,400*	13.6%	450*	150	135	11.1%	33
48	TRANS/PACIFIC RESTAURANTS	92,600*	81,500*	13.6%	1,780*	52	48	8.3%	36
49	TACOTIME	67,000	59,000	13.6%	316	213	201	6.0%	43
50	K&W CAFETERIAS	62,400	55,000	13.5%	2,600	24	23	4.3%	48

*TECHNOMIC ESTIMATE; **COMPANY ESTIMATE

CHEVYS' FRESH SPIN ON MEXICAN FOOD HAS INCREASED ITS SALES 69%, FROM $30 MILLION TO $51 MILLION, AND GREW IN UNITS FROM 16 TO 24.

1 Chevys Mexican Restaurants

San Francisco, CA
Ownership: Privately held

RANK BY UNITS: 3
1990 Systemwide Sales: $51,033,000
1990 Systemwide Units: 24

New CEO Mike Hislop, formerly of El Torito, plans to expand the privately held full-service chain beyond its Northern California strongholds into other major markets. First step will be a push into Southern California, funded by a new private financing arrangement. Projections call for 34 units open at year end. The "fresh Mex" foodies from Frisco fashion virtually all food items from scratch in the restaurants.

Fresh Mex” is more than a slogan, it's an obsession for San Francisco-based Chevys Mexican Restaurants, tops in the *RB* Top 50 Growth Chains survey this year. As the “Fresh Mex Pledge” on its menu declares, the chain mixes fresh salsa hourly and refuses to serve a tortilla older than three minutes. It makes all of its food on the premises, not in a commissary, and never uses leftovers. It promises not to use frozen beef, fish, or chicken. No food product in its kitchen is canned or bottled, save for olive oil. Its ultra-thin tortilla chips are served warm from the fryer, cooked in healthy canola oil. Its signature margaritas are mixed with fresh lime juice. If any dish is not hot enough or fresh enough, it urges the customer to send it back.

The concern with freshness even permeates Chevys' advertising philosophy. Its much talked about “Fresh TV” campaign in Northern California markets features commercial spots that are videotaped daily and broadcast within hours, shown one day only.

Chevys' fresh spin on Mexican food has increased its systemwide sales 69%, from $30 million to $51 million between 1989 and 1990. During the same period, it grew in units from 16 to 24. With its Northern California markets filling up, it is on the verge of expanding to Southern California and beyond.

“We're completely different from other restaurants in our market, in fact, in all of California,” claims Warren “Scooter” Simmons Jr., who founded the chain in 1986 with Warren Simmons Sr. He was interviewed in a rare moment of repose in the midst of an opening blitz—four new Chevys within two weeks.

The Simmonses are co-chairmen of privately owned Chevys Inc. They have a background in real estate development and restaurants in the San Francisco Bay Area. Their credits include the Tia Maria Mexican chain in the Bay Area, which was sold and renamed several years ago, and Pier 39 in San Francisco, a mixed-use development.

For this foray into the Mexican segment, they decided to depart from the large “hacienda-style” restaurant that is a takeoff on ornate Mexican colonial design. “That concept is 20 or 30 years old,” says Scooter Simmons.

In contrast to the haciendas, Chevys sports a distinctive “border cantina” style that is comfortably run-down. It has a concrete floor and a stucco ceiling. Stacked beer crates are room dividers. Rounding out the informal ambience is a zinc-topped bar, neon cactus, and beer posters. Waitresses wear frilly Mexican dresses and black athletic shoes.

FLEXIBLE. The border cantina costs less to build and outfit than a hacienda restaurant, although Chevys' [illegible] won't says exactly how much less. It is flexible enough to fit into a strip mall, which a big hacienda cannot, and into varied building conversions, such as a drug store.

“What we save by not using carpeting and tile we put back into the food,” says Mike Hislop, Chevys chief executive officer. The other important statement that Chevys makes is on the plate. Mexican food has often been regarded as merely cheap and filling. But Chevys takes a high-quality, scratch-made approach. The company says that the concept appeals to a more discriminating clientele—mostly white collar workers, aged 25 to 49, typically raising a family. “Initially, these people feel comfortable bringing their children into this atmosphere, but it is the food that brings them back,” says Hislop.

Familiar Mexican dishes are given a fresh twist at Chevys. Spicy pork tamales ($6.95) are hand-rolled. Soft tacos ($6.95) are made with fresh-baked flour tortillas. Its signature beef and chicken fajitas al carbon ($10.85), which account for more than 50% of total orders, are cut from fresh skirt steak and cooked on a mesquite grill.

Salsa and side dishes are upgraded, too. Its salsa is made fresh each hour from charred tomatoes, onions, and jalapeños. Its beans a la charra—pintos cooked with bacon, onions, tomatoes, and peppers—are a lighter alternative than lard-laden refried beans. Flour tortillas are served hot from *El*

PHOTOGRAPHY BY TOM MOULIN

Chevys' Plato Gordo includes homemade flour tortillas, spicy shrimp, quail, rice and beans a la charra, fajitas, Mexican butter, and pico de gallo.

Machino, a boxy Rube Goldberg-style contraption of conveyor belts and pulleys that bakes up to 900 tortillas per hour. It provides a dash of theater in each Chevys dining room.

In addition, the mesquite broiler features items that go beyond the Mexican restaurant norm, such as broiled fresh quail ($10.85) and *camarones diablo*, which are jumbo shrimp served sizzling in a seasoned butter ($13.85). There's a fresh fish of the day, such as salmon, sea bass, or swordfish. Specials occasionally offer pork or vegetable fajitas, lobster, or even frog legs.

Platillos Combinados, combination plates, are popular, such as the Cancun, consisting of chicken fajitas and jumbo shrimp ($13.95). The *Plato Gordo* is a super-sized combination of fajitas, quail, and shrimp, flour tortillas, guacamole, rice, and beans, which serves three or four people for $41.95.

Food like this is not cheap to produce. Chevys' food cost is 33% compared to the mid-20% range for many Mexican restaurants. It stands to reason that labor cost is higher, too, given all the fresh prep—mashing avocados daily for guacamole and peeling roasted poblano peppers for chiles rellenos. Each restaurant has a butcher to cut meat and fish.

However, labor cost is "in line or just a little higher" than competing concepts, says CEO Hislop. He points out that the Chevys menu comprises only 40 to 50 items, about half the size of many others. A large percentage of items are combination platters of core menu items. "We concentrate on doing as good a job as possible with fewer items," he says.

HIGH VOLUME. An average unit volume of about $2.6 million makes the proposition work. The highest-grossing unit does about $4 million. Chevys is not inexpensive as Mexican restaurants go. The average check is $11 with liquor.

Chevys' daily "Fresh TV" commercials raise store sales 10% to 20% when they appear, reports vice president of marketing Laura Brezner. Focusing on local places and people in a folksy way, the campaign has won extensive press and broadcast coverage as well as grass-roots support. "People come into the stores reciting the ads verbatim," says Brezner.

From l.: Scooter Simmons, co-chairman; Kjeld Sorensen, v.p. of food and beverage; Larry Nally, CFO; Mike Hislop, CEO; Fred Parkin, president; and Laura Brezner, v.p. of marketing.

By design, the 30-second Chevys spots lack the slick production values and artful food styling typical of major chain creatives. Instead, they have a shaky hand-held amateur home video look. "It really fits our down-to-earth, neighborhood restaurant image," says Brezner. In one spot, the screen is blacked out because the bumbling camera crew forgot to remove the lens cap. "We're better at making fresh food than commercials," says the voice over. In another, the camera crew interviews cows about the quality of Chevys fresh foodstuffs. The commercials are interspersed with quick cuts of Chevys employees making tortillas and salsa and customers reveling in the dining room, accompanied by mariachi music and narrative about freshness. Shots of a newspaper dateline establish that it is the fresh commercial of the day.

Previously, cost constraints had forced the chain to limit its advertising to radio, billboard, and taxi cab signs. But thanks to the relatively low cost of video (the campaign cost $2 million), the company can afford to run "Fresh TV" commercials periodically throughout the year.

Fresh TV perhaps presages a time when the chain will be large enough to make TV advertising a matter of course. With aggressive growth in mind, Chevys hired Mike Hislop earlier this year as CEO. Hislop was formerly executive vice president of operations of El Torito, a Mexican dinner-house chain that has more than 174 units. He brings major chain management experience, complementing the systems and training groundwork developed by president Fred Parkin, a veteran of Victoria Station. Private financing has been arranged for expansion. Initially, the elder Mr. Simmons' personal wealth bankrolled the chain.

Chevys projects a total of 34 restaurants open by the end of the year. "We'll stay close to home at first," says Hislop. "But after Southern California, we'll prove to everyone that this concept has legs." Adds Scooter Simmons, "Whatever market we enter, we will be a major player."

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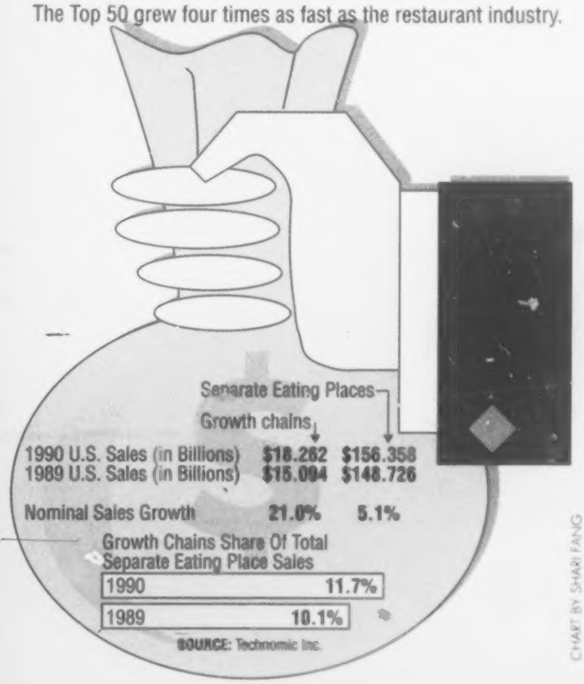
THE TOP 50 CHAINS HAVE A COMBINED NOMINAL SALES GROWTH OF 21%—AN IMPRESSIVE PERFORMANCE GIVEN THAT THE ENTIRE INDUSTRY MANAGED JUST A 5.1% INCREASE. IN UNIT GROWTH, THE TOP 50 INCREASED 14.4%, COMPARED TO THE INDUSTRY'S 2.0%.

GROWTH CHAINS GROW FASTER

The Top 50 grew four times as fast as the restaurant industry.



SOURCE: Technomic Inc.

CHART BY SHARI FANG

2 Applebee's Neighborhood Grill & Bar

Kansas City, MO
Ownership: Applebee's International Inc.
(Public-APPB/NASDAQ)

RANK BY UNITS: 7
1990 U.S. Systemwide Sales: $228,200,000
1990 U.S. Systemwide Units: 160

Industry veterans Ken Hill (exec. v.p./COO), Robert A. Martin, and John Weber have joined this chain of value-oriented casual table-service restaurants to help further nationwide growth. Plans include developing new markets, then selling stores and area rights to franchisees, as was recently done in St. Louis. Washington and Oregon are new markets; 13 units have already opened in '91, for a current total of 173 in 29 states.

3 Rally's Restaurants

Louisville, KY
Ownership: Rally's Inc.
(Public—RLLY/NASDAQ)

RANK BY UNITS: 2
1990 U.S. Systemwide Sales: $203,043,000
1990 U.S. Systemwide Units: 297

Under the new management of Chairman/CEO Burt Sugarman and President/COO Wayne Allbritton, who came on board in January '91, this double-drive-thru hamburger chain is already seeing major changes. The menu, which was extensive for a drive-thru concept, has been pared down considerably; BLTs, hot dogs, and chili are gone. Rally's acquired Maxie's and Snapp's and will convert them; more acquisitions are a goal.

4 Souplantation/ Sweet Tomatoes

Del Mar, CA
Ownership: Brook & Mack Inc.
(Privately held)

RANK BY UNITS: 4
1990 U.S. Systemwide Sales: $41,000,000
1990 U.S. Systemwide Units: 25

After adding 10 soup/salad/muffin/dessert buffet restaurants a year for three years, Souplantation (which is called Sweet Tomatoes outside the Southern California market) has slowed down considerably. Only four new units are planned for 1991. New president and CEO John R. Bifone will guide the chain in swallowing its quick success, then lead it to new sites around the nation.

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5

I Can't Believe It's Yogurt!

Dallas, TX
Ownership: Brice Foods Inc.
(Privately held)

RANK BY UNITS: 5
1990 U.S. Systemwide Sales: $65,990,000
1990 U.S. Systemwide Units: 388

Execs of this frozen yogurt chain doubled the 1990 marketing budget to $3.5 million, then upped it another $1.5 million this year. Efforts have included ads in *USA TODAY* and direct mail to 34 million households. New products include Yoglace, an "ultra low-calorie" product, and Yobabies, aimed at kids. Expansion includes contracts for franchises in 18 countries, and openings in nontraditional locations such as kiosks.

6

The Olive Garden

Orlando, FL
Ownership: General Mills Inc.
(Public—GIS/NYSE)

RANK BY UNITS: 10
1990 U.S. Systemwide Sales: $551,985,000
1990 U.S. Systemwide Units: 228

Staff happiness as a route to customer satisfaction is the goal of two new programs at this family-oriented Italian dinnerhouse chain, which has opened more than 50 units per year for four years straight, and has no plans to stop. Stores now have five managers each. The goal: a 40-hour work week. A Server Sales Incentive Program means raises for servers when they reach specified sales goals.

7

Pizzeria Uno Restaurant & Bar

West Roxbury, MA
Ownership: Uno Restaurant Corp.
(Public—UNO/NYSE)

RANK BY UNITS: 8
1990 U.S. Systemwide Sales: $120,244
1990 U.S. Systemwide Units: 86

This chain of table-service pizza restaurants entered the Lexington, KY, Phoenix, Las Vegas, and Minneapolis markets this year, bringing up the number of company and franchised units nationwide. Two pasta dishes—spaghetti and meatballs and pasta primavera—joined the menu line-up, and take-out customers now have their choice of partially baked, as well as frozen and hot, pizzas to take home.

8

Subway Sandwiches & Salads

Milford, CT
Ownership: Doctor's Associates Inc.
(Privately held)

RANK BY UNITS: 17
1990 U.S. Systemwide Sales: $1,100,000,000
1990 U.S. Systemwide Units: 4,777

All 50 U.S. states have Subway fast-food sandwich shops as of this past year; chain expansion continues. Franchisees will soon be opening stores in the Caribbean, Korea, and Holland as the Pacific Rim and Europe become major market targets. The goal: 8,000 units by 1995, up from 5,006 today, and per-week, per-unit sales of $8,000, up from the current $5,000. A new menu lighter in calories and lower in cost is in test.

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TOP 10 CHAINS

Ranked by average unit volume growth

A.U.V. Growth Rank	Chain	Average Unit Volume ($000) 1990	Average Unit Volume ($000) 1989	% A.U.V. Change 1989-90
1	Ark Restaurants	2,280*	1,900*	20.0%
2	Levy Restaurants	2,400**	2,000**	20.0%
3	Shari's Restaurants	1,425*	1,252	13.8%
4	Sonic Drive-Ins	446	395	12.9%
5	Taco Bell	771	686	12.4%
6	Cracker Barrel Old Country Store	2,920	2,612	11.8%
7	Black-Eyed Pea/Dixie House	1,570*	1,415*	11.0%
8	Lettuce Entertain You Enterprises	3,570*	3,225	10.7%
9	Shoney's	1,422	1,307	8.8%
10	TacoTime	316	293	7.8%

*Technomic estimate; **Company estimate

9

Ruby Tuesday

Mobile, AL
Ownership: Morrison Inc.
(Public-MORR/NASDAQ)

RANK BY UNITS: 9
1990 U.S. Systemwide Sales: $226,100,000
1990 U.S. Systemwide Units: 133

Signifying confidence in execs' belief that their concept is still attractive "When You're Ready to Relax," the Ruby Tuesday chain will open another 25 to 32 stores within the year, primarily filling out markets in the DC/Baltimore area, the Northeast, and the South. Sites tend to be in malls, but a freestanding prototype is under development. Slow sellers may soon be replaced by fajitas and a new chicken product.

10

Cracker Barrel Old Country Store

Lebanon, TN
Ownership: Cracker Barrel Old Country Store Inc. (Public—CBRL/NASDAQ)

RANK BY UNITS: 13
1990 U.S. Systemwide Sales: $257,971,000
1990 U.S. Systemwide Units: 97

Cracker Barrel continues to take its country-style family restaurants to interstate highway locations throughout the Southeast at the rate of 20% a year. It opened 18 units over the past year and is gearing up for another 21 by August 1992. All units are owned by the company. Mississippi, Michigan, Missouri, and Wisconsin are all new markets, and Florida is the target of major growth.

11

Mountain Mike's

Sacramento, CA
Ownership: Q&S Management Inc.
(Privately held)

RANK BY UNITS: 20
1990 U.S. Systemwide Sales: $46,000,000
1990 U.S. Systemwide Units: 71

Recessionary times for the California economy mean boom times for Mountain Mike's, a chain of franchised, rustic-looking, table-service pizza restaurants scattered throughout small CA mountain towns. Corporate expertise will help franchisees get good rent and other recession-induced deals this year, leading to the opening of 30 units in 1991, versus 10 a year ago. All growth will be in Northern CA and Korea.

12

Levy Restaurants

Chicago, IL
Ownership: The Levy Organization
(Privately held)

RANK BY UNITS: 34
1990 U.S. Systemwide Sales: $80,000,000
1990 U.S. Systemwide Units: 33

This multiconcept restaurant company's specialty concessions account for recent growth. A five-year contract won in April for Chicago's McCormick Place convention center is valued at $12 million. The operation will feature local Gold Coast Hot Dogs and a quality branded cappuccino product vended from carts. Chicago's soon-to-be-upgraded Navy Pier and California's Hollywood Park Racetrack are other newcomers.

13

Maid-Rite Sandwich Shops

Des Moines, IA
Ownership: Maid-Rite Sandwich Shops Inc.
(Privately held)

RANK BY UNITS: 16
1990 U.S. Systemwide Sales: $48,000,000
1990 U.S. Systemwide Units: 150

Maid-Rite's quest to go national has gained momentum. The company has closed deals with 100 franchisees, many for multi-unit development. As a result, the 65-year-old chain's signature double-ground loose meat sandwich will be showing up in Indiana and other new markets. The chain has upgraded to a higher grade choice beef.

14

O'Charley's

Nashville, TN
Ownership: O'Charley's Inc. (Public-CHUX/NASDAQ)

RANK BY UNITS: 12
1990 U.S. Systemwide Sales: $53,075,000
1990 U.S. Systemwide Units: 31

Looking for an infusion of capital to continue expansion, O'Charley's went public last August. The cash raised will be used to open six casual-themed dinnerhouses this year, with a concentration on the Atlanta and Memphis markets. Menus are being streamlined: poor sellers are coming off, and a few new dishes, such as Calabash Shrimp (marinated in buttermilk and fried) are in test.

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15

Sbarro

Commack, NY
Ownership: Sbarro Inc.
(Public—SBA/AMEX)

RANK BY UNITS: 18
1990 U.S. Systemwide Sales: $250,000,000
1990 U.S. Systemwide Units: 426

Sbarro brought its fast-food Italian concept to Germany this year, and expanded in its relatively recent English market. At home, the chain continues to build richly appointed units in shopping malls and high-traffic urban areas. A Sbarro Pizza Express is in test at an office complex near the chain's headquarters, and the company's first freestanding unit might open this year.

16

Old Country Buffet

Eden Prairie, MN
Ownership: Buffets Inc.
(Public—BOBC/NASDAQ)

RANK BY UNITS: 15
1990 U.S. Systemwide Sales: $145,236,000
1990 U.S. Systemwide Units: 94

A new unit design coupled with aggressive growth has this all-you-can-eat chain racking up the sales. Twenty-six stores now have scatter-systems, vs. two a year ago. With sales 20% higher in such units, the move to scatter-system buffets will continue. The company plans to double its number of units to 200 by year-end 1994, due to a favorable sales-to-investment ratio: $2.4 million in sales for a $700,000 investment.

17

Ark Restaurants Corp.

New York, NY
Ownership: Ark Restaurants Corp.
(Public-RK/AMEX)

RANK BY UNITS: 44
1990 U.S. Systemwide Sales: $47,984,000
1990 U.S. Systemwide Units: 21

This multi-concept restaurant company is up to 24 restaurants in '91, most of them individually themed dinnerhouses in New York City, with units in Boston and Washington, DC. Despite the East Coast's challenging economy, Ark continues to grow, and unit volumes still top $1 million apiece. Ark's most recent addition, the Mackinac Bar & Grill, features an updated "old-fashioned lodge menu."

18

Hooters

Atlanta, GA
Ownership: Hooters of America Inc.
(Privately held)

RANK BY UNITS: 1
1990 U.S. Systemwide Sales: $75,000,000
1990 U.S. Systemwide Units: 50

"Hooter Girls" will be carrying buckets of three dozen steamed oysters to tables across the country soon, as a new management team plans to double the number of Hooter's beach-themed dinnerhouses to 100 by year-end 1992. New president Lou Franson, an Arby's alumnus, and a team of new execs will lead the brigade of company and franchised stores. Hooters now sponsors Winston Cup race car driver Alan Kulwicki.

19

California Pizza Kitchen

Los Angeles, CA
Ownership: California Pizza Kitchen Inc.
(Privately held)

RANK BY UNITS: 11
1990 U.S. Systemwide Sales: $35,000,000
1990 U.S. Systemwide Units: 16

Barbecued chicken pizza and other wacky entrees are heading east as California Pizza Kitchen goes national, adding one company-owned restaurant a month to its base. The chain's menu, which features entrees priced under $10 and generates average annual unit volumes of $3 million in 120-seat black, white, and yellow dining rooms, will soon hit New York City, South Florida, Arizona, and Missouri.

20

Spaghetti Warehouse Inc.

Garland, TX
Ownership: Spaghetti Warehouse Inc.
(Public-SWH/AMEX)

RANK BY UNITS: 27
1990 U.S. Systemwide Sales: $40,000,000
1990 U.S. Systemwide Units: 16

This traditionally conservative Italian dinner-house chain has accelerated expansion. Four new units are under development, the first franchise agreement has been signed and a second is being pursued. The 460-seat restaurants still have limited menus, but manicotti and ravioli are new additions. Industry veteran Lou Neeb has just taken over the presidency from recently retired founder Bob Hawke.

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21

Damon's

Columbus, OH
Ownership: Damon's Inc.

RANK BY UNITS: 22
1990 U.S. Systemwide Sales: $64,700,000
1990 U.S. Systemwide Units: 40

Master subfranchisee Damon's Management Inc. (DMI) of Columbus, OH, was planning to acquire Damon's at press time. The move would put DMI president Gene Simonetti at the helm of this dinner-house chain, which features a menu of ribs, steaks, and onion ring loaves. Half of its units are franchised. Four new units should open in 1991. Most new units will feature Damon's Clubhouse concept, which includes a second dining room with sporting event broadcasts and trivia games.

23

Little Caesars

Farmington Hills, MI
Ownership: Little Caesar Enterprises Inc.
(Privately held)

RANK BY UNITS: 23
1990 U.S. Systemwide Sales: $1,400,000,000
1990 U.S. Systemwide Units: 3,173

Value has always been Little Caesar's strength, and now Crazy Crust—five flavors of seasoned crust given free with each order—enhances the "Two great pizzas, One low price" theme. Another 500 to 600 pizza shops will increase the base this year. Little Caesars recently agreed to open its Pizza Station concept—a counter-service chain featuring pizza, pasta, and breakfast—in Kmart stores across the country.

25

Soup Exchange

San Diego, CA
Ownership: Soup & Salad Systems
(Privately held)

RANK BY UNITS: 24
1990 U.S. Systemwide Sales: 56,730,000
1990 U.S. Systemwide Units: 34

In 1990, Soup Exchange pulled in the reins on what had been rapid expansion, closing as many units as it opened; five or six new units of the all-you-can-eat soup/salad/bakery concept will open in '91. In May, founders W. Scott King III and John B. Turnbull returned to the helm following the departure of president Donald Boensel. Soup Exchange is considering an agreement for development in Singapore and Hong Kong.

22

TS Restaurants

Solana Beach, CA
Ownership: TS Enterprises Inc.
(Privately held)

RANK BY UNITS: 50
1990 U.S. Systemwide Sales: 38,450,000
1990 U.S. Systemwide Units: 12

TS Restaurants is the majority holder of 12 restaurants, all different and most generating hefty $1 million-plus volumes in California and Hawaii. One restaurant a year, likely based on the water-side Sharky's Fishmarket concept now at the Westin Kauai resort, will be the growth concept of the '90s. Flagship Kimo's, a seafood and steak restaurant in Maui, generates sales of $5.5 million a year.

24

Chili's Grill & Bar

Dallas, TX
Ownership: Brinker International Inc.
(Public-NYSE/EAT)

RANK BY UNITS: 25
1990 U.S. Systemwide Sales: $440,383,000
1990 U.S. Systemwide Units: 223

Chili's Inc. is now Brinker International, but the Chili's Grill & Bar concept remains the company cornerstone. It hopes to see a seventh consecutive year of same-store sales increases in '91. Growth plans call for 30 to 35 units. New menu items: Chicken Tenders, steamed fresh vegetables, and Yogurt Pie, a low-fat dessert. In '91, moving into New Jersey, Kentucky, and Indiana, Chili's is now in 38 states with 243 units.

26

L&N Seafood

Mobile, AL
Ownership: Morrison Inc.
(Public-MORR/NASDAQ)

RANK BY UNITS: 6
1990 U.S. Systemwide Sales: 63,800,000
1990 U.S. Systemwide Units: 34

Increased value will be the newest lure at this chain of seafood dinnerhouses, as lower prices and larger portions will be the thrust of the menu rolled out this month. Expansion has slowed, but not much: a jump from 23 to 34 units from last May to this, and another five scheduled by May '92. Middletown, NY, and Florida's West Coast will be new markets.

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27 Taco Bell

Irvine, CA
Ownership: PepsiCo Inc.
(Public—PEP/NYSE)

RANK BY UNITS: 46
1990 U.S. Systemwide Sales: $2,400,000,000
1990 U.S. Systemwide Units: 3,227

The nation's largest fast-food Mexican chain aims to reach 10,000 points of distribution and $30 billion in sales by the year 2001. Those units will include freestanding restaurants as well as nontraditional sites such as carts and kiosks in hospitals, schools, airports, and supermarkets. The chain's value menu was recently expanded to a number of 350-calorie-or-less chicken items; more health-oriented items are in test.

28 In-N-Out Burger

Baldwin Park, CA
Ownership: In-N-Out Burger
(Privately held)

RANK BY UNITS: 29
1990 U.S. Systemwide Sales: $39,300,000
1990 U.S. Systemwide Units: 64

Hand-packed burgers, leaf lettuce, and cooked-to-order fries are among the quality-oriented standards that have enabled this fast-food hamburger chain to grow reliably through Southern California under the Snyder family's ownership since 1965. As usual, the coming year will likely see eight to 12 new company-owned units, none too far from home base.

29 Shari's Restaurants

Portland, OR
Ownership: Shari's Management Corp.
(Privately held)

RANK BY UNITS: 47
1990 U.S. Systemwide Sales: $50,000,000
1990 U.S. Systemwide Units: 45

This 24-hour coffee-shop chain opens approximately 10 units a year, predominantly in Washington and Oregon, with some in outlying areas such as Colorado, Wyoming, and California. Shari's continues to improve its employee incentive package and motivational training programs. Special pins for contest winners and logoed jackets for longevity awards are just two examples.

30 Huddle House

Decatur, GA
Ownership: Huddle House Inc.
(Privately held)

RANK BY UNITS: 31
1990 U.S. Systemwide Sales: $65,000,000
1990 U.S. Systemwide Units: 195

Following a history of operating only in 60-seat freestanding buildings, Huddle House is now looking at sites of all kinds. Conversions, "square" buildings that look inviting from all sides, strip center locations, and 42- and 80-seat units will all become common. Breakfast is still the mainstay at these 24-hour coffee shops, with new marketing emphasis placed on hash browns prepared with ham, onions, cheese, and chili.

31 Au Bon Pain

Boston, MA
Ownership: Au Bon Pain Co. Inc.
(Public—ABPC/NASDAQ)

RANK BY UNITS: 21
1990 U.S. Systemwide Sales: $70,179,000
1990 U.S. Systemwide Units: 86

Au Bon Pain just completed a public offering, and at press time was hoping to raise $8 to $9 per share on the 1.1 million shares sold by the company; another one million shares were held by outside investors. The company went public to raise cash to pay off debt. The quick-service bakery and cafe chain recently began rotating muffin varieties in the stores. The sandwich and baked goods menus will be broadened soon.

32 T.J. Cinnamons Bakery

Kansas City, MO
Ownership: Signature Foods Inc.
(Privately held)

RANK BY UNITS: 32
1990 U.S. Systemwide Sales: $59,000,000
1990 U.S. Systemwide Units: 231

T.J. Cinnamons, the limited-menu chain specializing in cinnamon and pecan rolls, has cleaned house and cut down its number of units. President Bill Teal came on board a year ago and is working to make stores, most of which are franchised, more profitable. The first Paris store will open shortly, and new stores are being built in California, Maryland, and other markets. New York - style bagels are in test.

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33

Red Robin International

Irvine, CA
Ownership: Skylark Company Ltd. of Japan
(Privately held)

RANK BY UNITS: 19
1990 U.S. Systemwide Sales: $146,000,000
1990 U.S. Systemwide Units: 68

Red Robin Burger and Spirits Emporiums, long a popular table-service gourmet burger concept in California, will soon be headed toward the Las Vegas and Detroit markets under the wings of franchisees. New menu items include Red's Hot Peppers, a fried jalapeño and cream cheese appetizer; Grilled Chicken Caesar Salad; and the Red Reuben Burger.

34

Black-Eyed Pea/ Dixie House

Dallas, TX
Ownership: Unigate Restaurants
(Public—LONDON)

RANK BY UNITS: 41
1990 U.S. Systemwide Sales: $124,400,000
1990 U.S. Systemwide Units: 79

Now at 87 units strong, Black-Eyed Pea/Dixie House aims to bring more "Home Cooking Worth Going Out For" to many new markets via company and franchised stores; Orlando, Little Rock, Albuquerque, Wichita, and Sacramento are among target growth markets. With entree prices averaging $5 to $8, this country-cooking concept is testing two pricier entrees: a grilled tuna steak and a New York strip steak.

35

Cinnabon World Famous Cinnamon Rolls

Seattle, WA
Ownership: E.S. Jacobs Co.
(Privately held)

RANK BY UNITS: 30
1990 U.S. Systemwide Sales: $44,000,000
1990 U.S. Systemwide Units: 145

Frequent travelers may become the next groupies of Cinnabon's signature cinnamon rolls, as the company rolls its products into airport locations nationwide. Following a test with Marriott/Host at the Detroit airport, where both snack bar stations and Cinnabon/espresso carts carry the product, the limited-menu chain is looking at similar sites. Elsewhere, Cinnabon continues to open 10 to 15 stores a year.

36

Sonic America's Drive-In

Oklahoma City, OK
Ownership: Sonic Corp.
(Public-SONC/NASDAQ)

RANK BY UNITS: 45
1990 U.S. Systemwide Sales: $454,579,000
1990 U.S. Systemwide Units: 1,043

This chain of '50s-style drive-in hamburger restaurants issued its initial public offering in February, selling 3.2 million shares of common stock at $12.50 per share for the purpose of raising cash to pay off debt. The management remains the same, and owns 26%. New monthly TV ad campaigns feature Frankie Avalon, who touts Sonic's drive-in service and burger-and-fries menu.

37

Hardee's Food Systems Inc.

Rocky Mount, NC
Ownership: Imasco Ltd.
(Public-IMS/TORONTO)

RANK BY UNITS: 14
1990 U.S. Systemwide Sales: $3,360,000,000
1990 U.S. Systemwide Units: 4,022

At press time, the 4,100-unit Hardee's fast-food chain continues to convert 350 Roy Rogers units to its own burger concept, the giant, which expands an average of 8% per year, is adding Roy's fried chicken to its menus. In a move towards light foods is the swap from soft-serve ice cream to frozen yogurt systemwide. The price of children's meals, which include a toy, has been cut to $1.99.

38

Pizza Hut

Wichita, KS
Ownership: PepsiCo Inc.
(Public—PEP/NYSE)

RANK BY UNITS: 39
1990 U.S. Systemwide Sales: $3,800,000,000
1990 U.S. Systemwide Units: 6,688

Currently at 6,700 family-style pizza restaurants strong, Pizza Hut continues to open 300 domestic units a year, plus hundreds more overseas. Expansion of the relatively new kiosk con-cept—mini units located in cafeterias and airports—is aggres-sive, as is growth of delivery/carry-out-only stores. A first-ever network ad campaign for the delivery stores featured the theme, "Change for the Better" and poked fun at Domino's.

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39

The Old Spaghetti Factory

Portland, OR
Ownership: O.S.F. International Inc.
(Privately held)

RANK BY UNITS: 35
1990 U.S. Systemwide Sales: $46,000,000
1990 U.S. Systemwide Units: 26

This high-volume, family-oriented Italian chain's expansion plan debuts a new unit every nine months. A new 425-seat Riverside, CA, unit serves 1,000 patrons a day. A new children's menu includes three choices starting at $2.95 and features a cartoon theme. The chain's first TV ads aired this year, insisting, "You Have to Try This Place." A new midscale Mediterranean concept called Cody's will open in the fall.

40

Longhorn Steaks Restaurant & Saloon

Atlanta, GA
Ownership: CRC Ltd.
(Privately held)

RANK BY UNITS: 28
1990 U.S. Systemwide Sales: $46,000,000
1990 U.S. Systemwide Units: 24

Billboards with 12-ft. bull horns ripping through them garnered great media attention for Longhorn Steaks this year, as did a radio jingle so popular that it allegedly garners more requests than country stars' hits in some markets. Company stores are being added in Georgia and Hilton Head, SC, franchisees are opening the Texas saloon-style concept throughout the Southeast. Seven more units are scheduled by year-end.

41

Shoney's

Nashville, TN
Ownership: Shoney's Inc.
(Public—SHN/NYSE)

RANK BY UNITS: 37
1990 U.S. Systemwide Sales: $991,279,000
1990 U.S. Systemwide Units: 734

If a six-unit test proves encouraging, Shoney's coffee shops may soon be called Shoney's Pie Shoppes, giving the midprice, table-service restaurants a more upscale image. Still opening at the rate of approximately 55 units a year, Shoney's has a new marketing gimmick: Its fleet of commissary trucks are now logoed with huge pictures of breakfast foods and coffee. As of this month, all units will provide Braille menus.

42

Lettuce Entertain You Enterprises Inc.

Chicago, IL
Ownership: Lettuce Entertain You Enterprises Inc. (Privately held)

RANK BY UNITS: 38
1990 U.S. Systemwide Sales: $100,000,000
1990 U.S. Systemwide Units: 28

Two new restaurants and two more in the works bring this multiconcept operator's creations to 20-plus themes, most in the Chicago area. The new Original A-1 Border Beanery, Bail Bonds & 1-Hour Perms perpetuates the company's reputation for wackiness. Also opened late last year was Tucchetti, a family-oriented Italian concept in Phoenix. By year-end, LEYE will open another Italian concept and a Greek restaurant.

43

Bakers Square Restaurant and Pie Shop

Denver, CO
Ownership: VICORP Restaurants Inc.
(Public—VRES/NASDAQ)

RANK BY UNITS: 40
1990 U.S. Systemwide Sales: $248,961,000
1990 U.S. Systemwide Units: 170

Slow and steady have been the words at Bakers Square, where 12 upscale coffee shops a year expand the chain. Bakers Square continues to fill out its two existing markets: California and the Midwest. The past year was a quiet one with no new product introductions, but menu and service enhancements will be announced soon.

44

Houston's

Atlanta, GA
Ownership: Houston's Restaurants Inc.
(Privately held)

RANK BY UNITS: 26
1990 U.S. Systemwide Sales: $93,000,000
1990 U.S. Systemwide Units: 22

Houston's brings its casual dinner-house concept to promising locations coast to coast at the rate of two company-owned restaurants per year, totaling 22 establishments currently. Los Angeles is the newest city to experience Houston's traditional burger/salad/sandwich menu, which generates annual sales of $5 million per store—with only 190 seats.

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45

Red Onion Restaurants

Carson, CA
Ownership: The International Onion Inc.

RANK BY UNITS: 42
1990 U.S. Systemwide Sales: $57,000,000
1990 U.S. Systemwide Units: 16

The Red Onion is striving for repeat business by making its Mexican restaurant/top-10 nightclub establishments different every night of the week. Restaurants bring in clowns and activity books for kids on Wednesdays, for instance, and target seniors on Mondays. An entire level of middle management was eliminated in February. The first out-of-state unit will open in Las Vegas, and Hawaii and Mexico are target markets.

46

Pietro's Pizza

Lynnwood, WA
Ownership: Pietro's Corp.
(Privately held)

RANK BY UNITS: 49
1990 U.S. Systemwide Sales: $47,800,000
1990 U.S. Systemwide Units: 80

A troubled economy and country at war put a halt on expansion at Pietro's, which maintains a base of 80 counter-service, sit-down pizza restaurants. Forty restaurants each are in Washington and Oregon, all company-owned. Pizza accounts for 80% of sales, with spaghetti, sandwiches, and salads comprising the rest. The past year saw a stepped-up print ad campaign featuring greater discounts than previously offered.

47

D'Angelo Sandwich Shops

West Bridgewater, MA
Ownership: D'Angelo Sandwich Shops Inc.
(Privately held)

RANK BY UNITS: 33
1990 U.S. Systemwide Sales: $67,500,000
1990 U.S. Systemwide Units: 150

At 24 years young, this seven-state submarine/pita sandwich chain is gearing up for a growth spurt. A stepped-up franchise program should help D'Angelo's open 20 quick-service, counter-service units this year, and 50 to 100 more over the next three years. New healthy alternatives include a chicken stir-fry sandwich, and 17 Healthy D'Lites "nutritionally balanced" meals. All stores have Chip's Ice Cream stations.

48

Trans/Pacific Restaurants

Irvine, CA
Ownership: Trans/Pacific Restaurants Inc.
(Privately held)

RANK BY UNITS: 36
1990 U.S. Systemwide Sales: $92,600,000
1990 U.S. Systemwide Units: 52

Slow expansion for Trans/Pacific this year, which will add no more than two restaurants to its base that represents eight concepts. Dinnerhouse Monterey Bay Canners, family restaurant Jolly Roger, coffee shop Yum Yum Tree and other concepts are maintaining respectable sales levels in part by advertising specials on perceived-quality items such as shellfish and prime rib. Trans/Pacific buys in bulk and passes on the savings.

49

TacoTime

Eugene, OR
Ownership: Taco Time International Inc.
(Privately held)

RANK BY UNITS: 43
1990 U.S. Systemwide Sales: $67,000,000
1990 U.S. Systemwide Units: 213

In addition to filling out its existing California, Oregon, and Washington markets, this international fast-food Mexican chain is expanding to Farmington, NM, and the Bronx, NY. Nationally, Taco Time will add freestanding units in the West and is planning to put them in food courts everywhere. Nachos Deluxe has been added to the menu, and a Natural Veggie Burrito is in test.

50

K&W Cafeterias

Winston-Salem, NC
Ownership: K&W Cafeterias Inc.
(Privately held)

RANK BY UNITS: 48
1990 U.S. Systemwide Sales: $62,400,000
1990 Systemwide Units: 24

After nearly a year of virtually no growth, this retail cafeteria chain with units in the Carolinas, Virginia and West Virginia has been thriving through the recession. Two new units have opened already in 1991, and three more are on the drawing board. With check averages of $3.60 and average unit volumes of $2.6 million, K&W is poised to continue feeding 1.8 million people a month, and maybe more.

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STEAK

Customers will pay the price for good value.

By Carol Casper

It is difficult to talk about trends in the steak-house segment because the label covers such a wide variety of operations. They range from upscale classic steakhouses that cater to corporate executives and special-occasion diners, to upscale casual steak restaurants that attract mostly couples plus families out for a celebration, to family restaurants that have evolved so far from their original concepts that the term steakhouse hardly applies. Each category faces a different set of opportunities and challenges. One consideration that unites them all, however, is perceived value.

At Morton's of Chicago, for example, where the average price for a steak approaches $24 and even the potato and vegetable are extras, management ensures that customers paying those prices "walk out feeling they got their money's worth."

Director of marketing Mary Jo Newberg points out that a 24-oz. porterhouse at $27.95 is a lot of food for the money, and "a phenomenal value." So many guests leave with "doggie bags," she adds, that Morton's has designed silver foil packages with its logo to encourage the practice and "help customers feel they are taking home something classy."

VALUE. Beef is expensive, especially prime, dry-aged beef, and patrons of upscale establishments that serve it are willing to pay the price as long as the value is there, say operators.

"When customers have the urge for a great steak, they know that it costs us a lot and will be expensive for them, but they really don't care what they pay," says Pano Karatassos, president of The Buckhead Life Restaurant Group, Atlanta, which opened Chops, a very upscale steakhouse, in 1989.

At the other end of the spectrum, the operations labeled "budget steakhouses" or "family steakhouses" have had to take a different track in conveying the perception of value. With beef prices up and consumption down over the last 15 years, they have broadened their

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In addition to steaks, The Butcher Shop offers 32-oz. prime rib, grilled chicken breast, and fresh fish selections.

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menus and promoted alternatives including other entrees and all-you-can-eat food bars. Although steaks may make up only a fraction of sales at some of these chains, many still consider themselves part of the steak-house segment. Others say the term no longer fits.

Budget steak-house concepts have greatly broadened their menus.

Tom Gregory, president of Los Angeles-based Sizzler, for example, says, "We have not been a steakhouse for many years. We're a casual-dining restaurant chain, featuring a buffet court and grill."

SOME MARKET PERCEPTIONS. Steve Fortlouis, director of marketing for Raleigh, NC-based Golden Corral, on the other hand, comments, "Even though we're not selling that many steaks, we're still perceived as a 'family steakhouse.' To most consumers, that means a place with a decent selection of red meat and a limited selection of chicken and seafood alternatives, plus a very large food bar. It's a sort of amorphous entity that changes, but people still have an idea of what it means."

Health concerns and lifestyle changes have made a major impact on American consumption of beef over the last decade and a half. In 1976, per capita consumption totaled 88.9 lb. annually. In 1989, the average American consumed just 65 lb. No one is predicting a major reversal of this trend, but per capita consumption did rise noticeably last year for the first time since 1975. It advanced to 67.5 lb. in 1990, according to the American Meat Institute (AMI), Arlington, VA. AMI projects another slight gain in 1991, to 68 lb. per person, adds Jens Knutson, director of economic research.

This trend could reflect the fact that many people today tend to eat beef out more frequently than they prepare it at home. With Americans relying increasingly on eat-in and take-out restaurant food, this tendency could be helping to boost consumption.

The Chicago-based Morton's chain has a check average of $45.

SPECIAL OCCASION. Simpson Hughes, co-owner of The Butcher Shop, a string of moderately expensive steakhouses based in Memphis, TN, surmises that when people go out, particularly for special occasions, they are less likely to heed health concerns." Since opening the first Butcher Shop in 1981, he says, "Our business has never faltered. We offer alternatives like chicken and fish, but 95% of our sales are still made up of steak or prime rib. We expected to see more of an effect from the adverse publicity on beef, but it hasn't happened."

A number of other upscale operators like Morton's and Ruth's Chris Steak House report, in fact, that business is as good as or better than ever. However, not all upscale steak restaurants are faring as well, judging by statistics from CREST, a service of NPD Research Inc., Park Ridge, IL. CREST figures show that traffic in upscale steak restaurants—those with check averages over $17 at dinner—fell 12% in 1990, following a decrease of 9% in '89.

Traffic at casual upscale or moderate check steakhouses, on the other hand, rose a whopping 18% in 1990, following a modest 2% gain in '89. Family steakhouses have also not fared well in recent years. They regained just 1% in traffic in 1990 after a 5% fall-off the year before, according to CREST.

Many are relying increasingly on special offers to lure customers, statistics also show. Just over one-third of their transactions involved special deals in 1990, compared to a little over one-quarter in '89.

Fortlouis of Golden Corral feels family steakhouses are undergoing a shakeout. "If a customer is dissatisfied today," he notes, "there are plenty of options, so he'll simply go elsewhere. Consumers' loyalty is only as strong as their last meal."

In fact, a number of family steak-

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houses are losing franchised locations and showing stagnant or flagging sales.

SEGMENT GIANT. Metromedia Steakhouses Inc., Dayton, OH, which operates both Ponderosa and Bonanza steak-house chains, for example, reports that 1990 systemwide sales held flat at the previous year's level of $1.3 billion.

Ponderosa added four domestic company-owned units in 1990 and 19 domestic franchised units, for totals of 401 company and 326 domestic franchised stores. It also opened two international units, for a total of 33.

Bonanza lost 90 franchised locations in the last year, shrinking its domestic franchised system to 418 units. It also operates two company-owned and 63 international franchised stores.

Average annual unit sales for domestic Ponderosa units held at $1 million, while Bonanza annual unit sales decreased slightly, to $950,000.

Another family steakhouse that has seen its franchised system shrink is Dallas-based Western Sizzlin Inc. However, management thinks this situation will soon turn around. The chain was acquired in late 1988 by a partnership of Intermark, a $1 billion operating and holding company, and a management group led by Frank Carney and Michael Stack. Intermark holds about 70% of the company's stock, with the remainder held by management. Stack, who had served as president, left the company last October, leaving chairman of the board Carney to assume his duties.

Large numbers of franchisees were already closing or leaving the system at the time of the acquisition, Carney notes. "We expect this to continue until most of the marginal stores are gone, probably for at least the rest of 1991. But we think the situation will turn around soon after. We are aggressively pursuing new franchise sales, and are providing the tools needed for existing franchisees to run successful stores."

Although Western Sizzlin's U.S. system shrank by about 60 units in 1990, average annual unit sales rose 2.6% to $942,000, following an 18% gain the previous year. The company expects to open 20 domestic franchised units this year, Carney adds, and to step up the pace in 1992. The corporation bought back five stores from a franchisee in 1990, providing it with its first company-owned units.

Longhorn Steaks Restaurant & Saloon units are modeled after Texas roadhouses.

Americans consumed 67.5 lb. of beef in 1990, according to the AMI.

Management has scaled back its goal of reaching 1,000 domestic and foreign units by the end of 1995. While domestic expansion is moving more slowly than anticipated, international development is exceeding its expected pace. Stores are under construction in Japan and Saudi Arabia, and additional agreements have been signed for development in Australia and England.

CONCENTRATING ON BASICS. Within existing units, Carney adds, the chain is "concentrating on the basics. "We're working on improving operational efficiency and cleanliness, and remodeling and refurbishing older stores.

One of Western Sizzlin's major drives over the past two years has been to increase lunch business. "In 1988, we had the lowest lunch volume of any family steakhouse chain. We've now moved to number one in that business," Carney says.

Another chain that seems to be doing better with fewer units is Golden Corral. The company's system shrank from 519 in 1989 to 460 at the end of 1990, while average annual unit volume rose from $765,000 to $1 million.

One reason for the improvement is that the chain has closed units in smaller, rural communities to concentrate on larger metro markets. "Our stores in metro areas average 400 seats compared to 140 in rural areas, and do four

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times the volume of smaller units," says Fortlouis.

Golden Corral's system is nearly 90% company owned, but last year the firm launched its first major thrust into franchising. Some stores in secondary markets have been sold to franchisees, and the firm expects to pick up the pace soon with new franchised openings.

"With company growth concentrating on larger markets, franchising is a way to make our assets available in smaller, rural markets," Fortlouis says.

Golden Corral's restaurants are spread through 39 states, with the largest concentration in Texas and the Southeast. A little under 40% of sales stems from red meat entrees, while close to 50% of customers order the food bar as their meal.

The chain is moving to more diversification and regionalization in the buffet, serving Tex-Mex items in Texas and traditional Southern favorites in the Southeast. Consumers are looking for more substantial entrees on the food bar, Fortlouis notes.

To improve operations, the company recently reorganized its administrative system, forming six regional divisions each with its own support staff.

Prime, dry-aged beef is still a special-occasion item in restaurants.

"Bringing field supervision closer to the restaurants should help the units function better, and also speed the flow of information from the customer through the store to management and back to the store."

After a couple of uncertain years following several of heady growth, Ryan's Steak Houses, Greenville, SC, is once again posting strong figures. Company sales rose 12% in 1990, to $330.5 million, while its unit count grew 8%, to 159. About one-fifth of the restaurants are franchised. This year the chain plans to add 16 company and two franchised stores.

Ryan's was one of the segment's pioneers in offering an elaborate food bar. Its 70-item Mega Bar accounts for 50% of sales. Aside from a few staples, most items are rotated on and off in cycles of from two to six months. Decisions are made monthly with the help of a task force of eight unit managers who participate for six-month periods, according to Ed McCranie, vice president of purchasing.

One problem less successful chains have run into with food bars is how to keep them profitable. "The only way it will work is through volume," McCranie observes. "You can't run a $1 million-a-year unit at our costs and survive. We do twice the volume of other restaurants in our segment," he points out. Ryan's units average over 400 seats and pull in $2.2 million sales annually.

Another way the chain keeps operations profitable is by relying primarily on word of mouth for advertising. "Rather than spend 2%-3% of sales on advertising, we'd rather spend the money on food cost and quality, and depend on customers spreading the word and repeat business. So far that's worked," he comments.

Of entree sales, about 75% are beef although a good selection of poultry and seafood alternatives are available. The company is currently looking at some new items to update its menu board.

One area Ryan's has promoted is lunch, which made up 40% of sales last year. "We developed an Express Lunch for convenience. Patrons can go to the Express line, be seated and eating within a couple of minutes. We also have some lunch combinations featuring an entree with salad and drink for one low price."

Another strong competitor in the segment is Quincy's Family Steakhouse, Spartanburg, SC. It is part of TW Services Inc., the nation's fourth largest foodservice company, owner of Canteen Corp., Denny's Restaurants, and El Pollo Loco, and the largest franchisee of Hardee's restaurants.

Quincy's operates 212 units, all company-owned, concentrated in nine Southeastern states. Systemwide sales reached $281.5 million in 1990, a 6.9%

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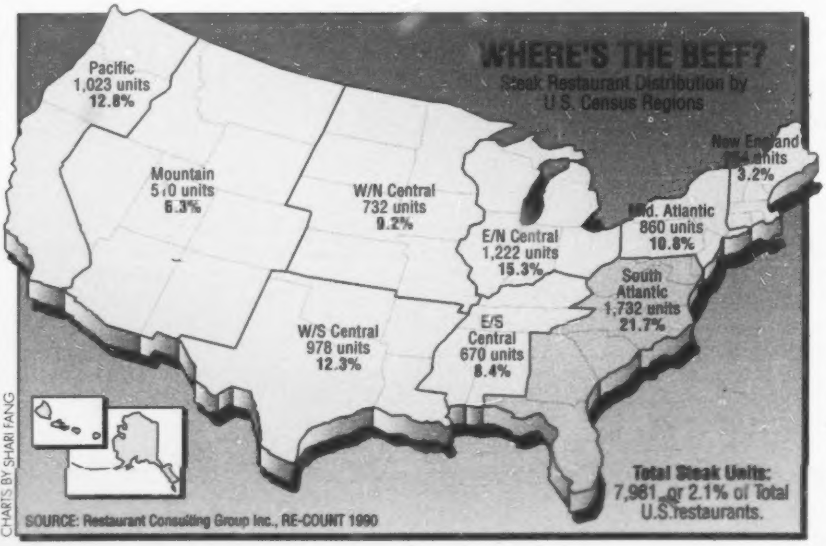

WHERE'S THE BEEF?
Steak Restaurant Distribution by U.S. Census Regions

Total Steak Units: 7,981 or 2.1% of Total U.S. restaurants.

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

CHARTS BY SHARI FANG

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increase over the previous year. Average annual unit sales rose 6.2%, to $1.32 million.

The company plans to add seven stores in 1991, its first openings in several years. They include one in Ohio, the first outside the Southeast.

Sizzler is moving away from a steak image with its buffet.

Extensive salad and food bars are almost mandatory for budget chains.

Quincy's management notes that the chain has evolved from a limited-table-service steakhouse into a family restaurant featuring chicken, seafood, soup, and salad in addition to steak and potatoes.

Its Country Sideboard buffet, featuring a rotating menu of 120 items, accounts for approximately 40% of sales. After several years of testing, the company rolled out a weekend breakfast bar last year as well. It was available in 138 units by year's end, and will be extended to the rest in '91.

DOWNSIZING. While some competitors are building larger units, WSMP Inc.'s Western Steer is downsizing new sites from its previous 280-seat average to 215 seats. "With the price of land continuing to escalate, this helps get the costs of new properties down to a level where we can afford to continue building," says James C. Richardson Jr., senior vice president of the Claremont, NC-based firm.

New units will also feature an updated design that is lighter and brighter and centers attention on the food bar. The first was set to open in an Orlando, FL, strip center in June. "We're interested in doing more strip center locations this year," Richardson adds.

The company is also converting existing units to the brighter look. Its new red-and-white dominant color scheme fits with a three-year promotional program launched this Spring, centering on NASCAR racing driver Dale Earnhardt and his "Goodwrench" car.

The racing theme will be reflected in servers' uniforms, patterned after racing team uniforms, checkered tablecloths that look like checkered flags, and other racing-oriented decorations.

New menu items that fit the theme have also been added, such as "The Intimidator"—one of Earnhardt's nicknames—which consists of a 16-oz. steak accompanied by two 10-oz. baked potatoes. The restaurants will also feature a souvenir section selling racing T-shirts, caps, and other items.

Richardson adds that the chain is continuing to broaden its concept. "Our name used to be Western Steer Family Steak House, but our prime sign now reads, Western Steer Family Restaurant. People still come for our steaks, and 70% of our menu is made up of beef, but our food bar accounts for close to 40% of sales. Chicken entrees and sandwiches are also growing fast." The chain is also upgrading its seafood line to a hand-breaded product, and recently added a pizza section to its food bars.

Western Steer operated 145 restaurants at the end of 1990, a decrease of about 10 from the previous year due to closings of some marginal units. Over the same period, average unit volumes increased slightly, to approximately $930,000. About one-quarter of the system is company-owned. This year, the firm expects to start growing again with the addition of six company and 12 franchised units.

Sirloin Stockade, Hutchinson, KS, is actively soliciting new operators for its mainly franchised system. The chain opened its 75th unit in May. Just six are company-owned. The firm hopes to open at least six more locations this year. Systemwide sales hit $64 million in 1990, up 12% from '89. Average unit volumes increased to $900,000, even though check averages dipped slightly from $5.59 to $5.50.

The company still maintains a strong steak-house identity, even though its menu has broadened over the last few years, and the trend continues.

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THE TOP STEAKHOUSE CHAINS

Company Name	1990 Systemwide Sales	No. of Units	Avg. Unit Volume
Metromedia Steakhouses, Dayton, OH	$1.3 billion		
Ponderosa Division		700	$1 million
Bonanza Division		483	$950,000
Sizzler, Los Angeles	$971 million	690	$1.5 million
Golden Corral, Raleigh, NC	$450 million	460	$1 million
Western Sizzlin', Dallas	$445 million	443	$942,000
Ryan's, Greenville, SC	$331 million	159	$2.2 million
Quincy's, Spartanburg, SC	$282 million	212	$1.3 million

Some steak chains have diversified right out of the segment.

New items include a smoked pork chop entree. This summer, the company is also featuring shrimp scampi on a promotional basis, as a separate entree or a combo with steak.

SIGNATURE ITEM. The chain introduced homemade, fresh-baked rolls to most stores last year, which met an enthusiastic response, says director of marketing Derald Lynn.

Like others, Sirloin Stockade is upgrading its SmorgasBar buffet by adding better entrees, and experimenting with different rotations.

The SmorgasBar is the most popular menu item by far, Lynn says, followed by chicken-fried steak at $5.89 and its signature "Sizzling Sirloin," a 6-oz. steak, for $6.49.

Mr. Steak Restaurants, Denver, CO, has gone a different route from most other family steakhouses, eschewing food bars in favor of a full-service concept. "We've tested a buffet in the past, but it doesn't fit our philosophy which is that of a full-service restaurant," says director of marketing A.J. Lee.

However, the chain has revised its menu in the past couple of years to increase the percentage of nonred meat items. "Recently we added more entree salads and chicken items. We already had a fresh fish of the day," he says. Red meat accounts for about 40% of entree sales.

Customers are about evenly split among three groups, Lee adds: seniors, young families, and "empty nesters."

COURTING FAMILIES. "We went through a period when we were very family-oriented, then saw a decline. Now we're actively courting families back," he adds. "We've lowered prices on our children's menu and developed new premiums for kids."

The chain is working its way back from a Chapter 11 bankruptcy filed in late 1987. Difficulties at the time were attributed to undesirable leases and past-due franchise receivables, rather than problems with the concept.

The firm has since closed underperforming units, sold company stores to franchisees, and watched a number of franchisees leave the system. It now operates just one company and 84 franchised locations in 32 states, compared to 165 units in 1987.

"We're now negotiating with our prepetition creditors and hope to file a plan for reorganization this summer," Lee reports. "We were profitable last year for the first time in five years, so things are turning around." Sales for 1990 totaled $51 million. Checks average $4.50 at lunch and $7.60 at dinner.

Although Lee says the restaurant is well-positioned to meet the market of the '90s, the company is not seeking to expand Mr. Steak. Instead it is focusing growth plans on a new concept, the Blue Plate Grill, a moderately priced restaurant and soda fountain modeled loosely on the classic diner. The company opened its first in June and plans two more in the next 12 months. "We think it will be a good vehicle for Mr. Steak franchisees who might wish to convert," Lee notes.

POINT OF DIFFERENTIATION. Another chain with steak-house roots that falls outside today's typical family steakhouse mold is Sizzler Restaurants, which bills itself as a casual restaurant featuring grilled steaks, chicken, seafood, salad, and a major buffet court. Beef accounts for 25% to 35% of sales, notes president Gregory.

Sizzler Restaurants and parent Collins Foods recently merged under a new corporate identity, Sizzler International, reflecting the company's primary focus on developing the Sizzler concept worldwide.

It currently operates 636 U.S. and 54 overseas units, including major operations in Australia. The company plans to open 90 units this year, evenly split between domestic and international,

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with an emphasis on the Pacific Rim.

Systemwide sales for fiscal '91, ended April 30, totaled $971 million.

Like many of the family steakhouses, Sizzler says a growing number of customers—50% or more—are skipping entrees and choosing the buffet as their main meal. Sizzler pitches its operations for a somewhat more upscale image than most family steakhouses, and its check average at $7.50 runs about two dollars higher.

Casual upscale steak operations have fared significantly better than most family steakhouses in recent years. And rather than concentrating on diversification, most have kept their emphasis more squarely on beef.

Other segment chains are refocusing on steak and beef.

Stuart Anderson's Black Angus and Cattle Company Restaurants, owned by American Restaurant Group, Newport Beach, CA, for example, offers alternatives like chicken, fresh fish, and seafood, but still serves predominantly prime rib and steak, says vice president of marketing Julia Stewart.

It recently expanded its menu with two new Sampler Platters: a Cajun Sampler, featuring Cajun spiced top sirloin and boneless chicken breast with fried shrimp and a hot dipping sauce; and a BBQ Platter combining a sirloin steak, barbecue boneless chicken breast, and one-third rack of baby back ribs. Both are priced at $13.95. Other combinations pair shrimp, lobster, Alaskan crab, or grilled chicken with steak or prime rib for prices ranging from $11.50 to $21.50. All entrees are accompanied by fresh-baked bread and homemade soup or unlimited salad.

The company added one location last year for a total of 85, and plans several openings in '91. Its restaurants span 11 states including some in the Midwest, with the heaviest concentration on the West Coast.

Stewart characterizes the ambience as "warm and friendly," with a contemporary Western flavor. The restaurants attract some families but many more couples, she adds, and seating includes a large number of private booths.

Stewart notes the importance in the '90s of achieving the right balance of casualness without straying too far down in terms of ambience and service.

Stuart Anderson's Black Angus and Cattle Company has a total of 85 units.

Another balancing act steak chains must perform, she says, is expanding the menu to give customers the variety they demand, without losing their identity. "We fill a niche and a need," she points out.

EMPHASIS ON BEEF. Another growing chain that puts its emphasis squarely on beef is Longhorn Steaks Restaurant & Saloon, operated by Contemporary Restaurant Concepts Ltd., Atlanta.

Longhorn offers casual, full-service dining in an atmosphere modeled after a traditional Texas roadhouse. Its specialty is freshly cut, griddle-cooked, USDA Choice steaks priced from $11 to $17. The only alternative to beef on the dinner menu is fresh Pacific Northwest salmon, although chicken is available on request. The lunch menu features other choices including a variety of burgers, grilled chicken sandwich, chicken kabobs, chili, and salads.

Checks average $6-$9 at lunch and $16-$22 for dinner. About 90% to 95% of sales are in red meat, notes vice president of operations Bill Norman. The chain buys Midwestern corn-fed beef on the hoof and delivers it to the restaurants through its own wholesale distribution firm. It was formed three years ago, Norman notes, to keep quality up to spec, and prices down.

Company founder and president George McKerrow Jr., and Norman are both restaurant industry veterans who served with Victoria Station—a defunct chain noted for its prime rib. McKerrow opened the first Longhorn Steaks in Atlanta 10 years ago, and has added 11 more to the city since.

Now the company is focusing on out-of-state expansion. It already has 12 locations in Florida, North and South Carolina, Alabama, and Tennessee, including company and franchised units. More franchised openings and a

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Casual steak-house concepts have fared better than family steakhouses.

move northward are planned for '91 and beyond. Contemporary Restaurant Concepts operates three Skeeter's Mesquite Grilles in addition.

The Butcher Shop, based in Memphis, also purveys fresh choice beef in a moderately casual setting. Founder Dennis Day's original concept when the first unit debuted in 1981 was to let customers select their steak from a butcher-style display case and cook it themselves on a large, central grill. For a $2 charge they could opt for the house chef to prepare it. Today about 75% of the customers let the chef cook their meal, notes Hughes, but he says "The 'cook your own' feature is an attention-getter and sets us apart."

In addition to steaks, the menu includes a 32-oz. bone-in prime rib, grilled chicken breast, and one or more fresh fish items each day. Only the Memphis unit sticks to the original formula of just steak, salad, baked potato, and bread. Elsewhere, the company is also starting to experiment with new vegetable side dishes and expanded dessert selections.

Like many upscale steakhouses, the emphasis is on very large portions, like its 20-oz. ribeye and 24-oz. top sirloin. However, for a little higher price per person, two people can share any beef entree and receive their own side dishes. The sirloin, for example, costs $14 for one or $10 per person if shared.

Annual volumes at the Butcher Shop, which seat from 250 to 335, range from $1 million to $3.5 million. In addition to Memphis, locations include Chicago, Dallas, Little Rock, AR, Knoxville, TN, and Orlando, FL. The company is looking for new sites and expects to open one to two more in '92, Hughes adds.

Between the casual steakhouses and most expensive is Chart House, Inc., Solana Beach, CA. It operates 65 dinnerhouses in 19 states, with the highest concentration on the West Coast, and specializes in dramatic locations overlooking the water.

The company seems to have been harder hit by the recession than some other chains. Despite opening six new units in the last year, system sales stayed almost flat at $141 million.

Except for fresh fish selections, the menus at each location are virtually identical, centering on steak, seafood, and prime rib. Checks average $27.

Traffic is also down for many of the poshest independent steakhouses. Yet some very upscale chains report business has remained strong, except for a slow January and February when the combination of war and recession had an impact.

Newberg of Morton's says that although the company does not release sales figures, most units are showing increases and business is "fabulous."

Morton's has stepped up expansion since its acquisition in May '89 by New York-based Quantum Restaurant Group. It opened in Cleveland and Tyson's Corner, VA, in 1990 and Columbus, OH, in April '91, for a total of 13 units. At least two more are expected this year, in Cincinnati and San Antonio. "The general plan is to open four to five restaurants a year," Newberg says.

Checks average $45 not including tip. "We're definitely a special-occasion restaurant," says Newberg.

Its prime aged steaks, chops, and prime rib account for 75% of sales. Alternatives include whole baked Maine lobster, shrimp Alexander, lemon oregano chicken, and daily fish specials.

TABLESIDE PRESENTATION. The chain is distinguished by its presentation style, in which waiters wheel a menu cart tableside to show customers the various cuts of meats and other selections.

The company purchases all its prime, dry-aged beef centrally from Chicago and subjects all staff members to rigorous training to insure the highest level

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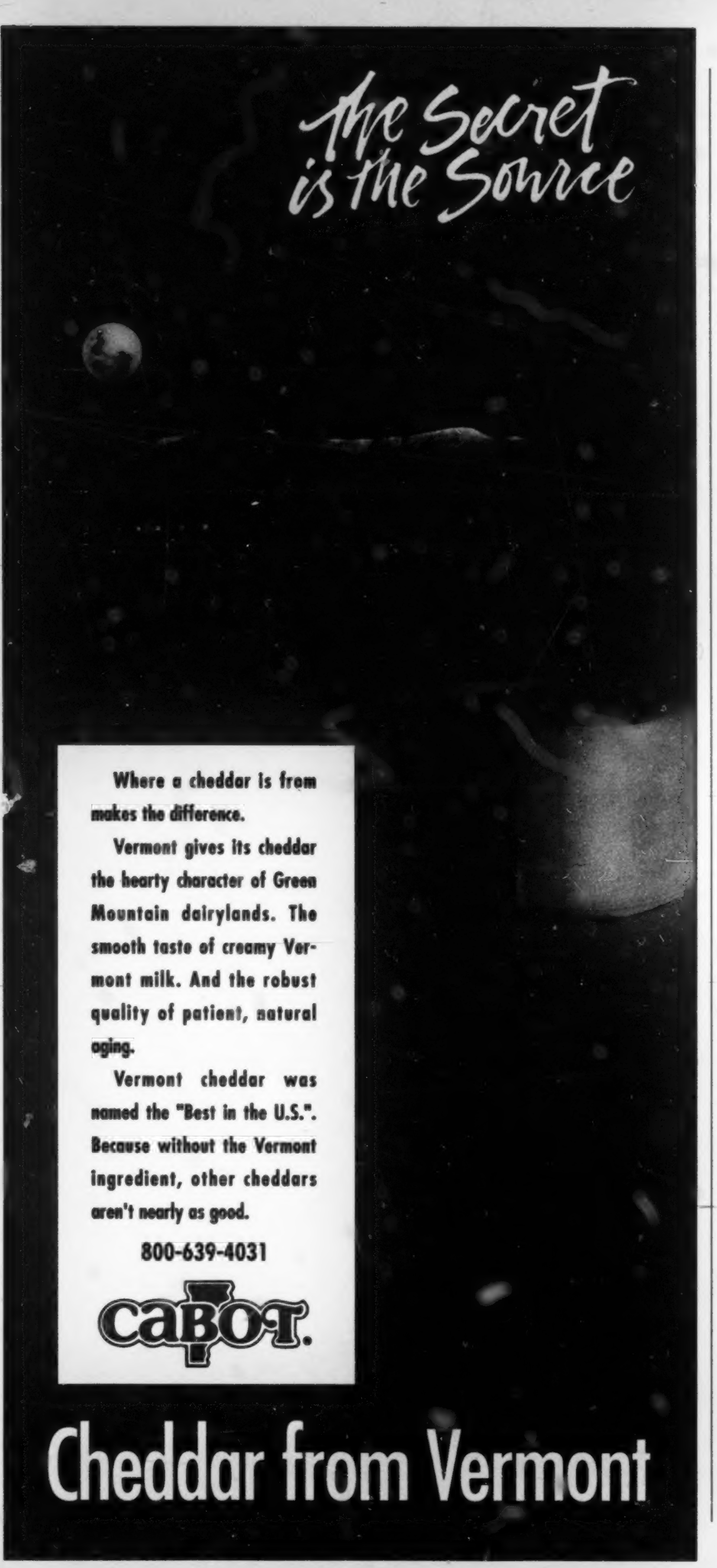
Quincy's Country Sideboard buffet has a rotating menu of 120 items.



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Cheddar from Vermont

For information circle number 123

of consistency among its units.

A new feature it has begun including in recently opened units is "The Boardroom," a private dining room available for corporate entertaining and other special functions.

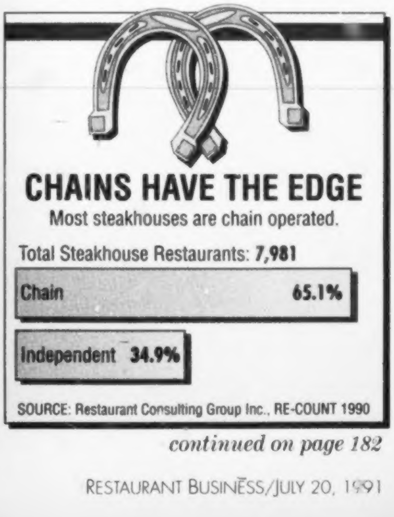
Although expanding at a slower rate, Ruth's Chris Steak House, based in New Orleans, is also doing well, according to Ruth Fertel, president and founder. The memorably named chain currently operates 13 company-owned and 16 franchised units in high-profile markets across the country.

"We'll probably add one company unit next year, and may see some franchised openings, but we're not soliciting new franchisees. We're trying to keep the organization small and let growth come from our present owners," Fertel says.

Ruth's Chris Steak House averages over $2 million annual volume. Companywide sales in 1990 were $60.7 million and are projected to surpass $65 million in '91. Checks average $35 to $38, with beef making up 85% of sales. The simple, straightforward menu also includes veal, lamb, Maine lobster, and one or two fresh fish selections.

"Our typical customer is aged 35 to 55, an executive type, well traveled, with an income of $40,000 and up," says Fertel. "A very large percentage are repeat customers.

"Despite all this talk of 'We don't eat



CHAINS HAVE THE EDGE

Most steakhouses are chain operated.

Total Steakhouse Restaurants: **7,981**

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

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STEAK

beef any more,' we certainly haven't seen it in our restaurants," she adds.

STEAKHOUSE OF THE '90S. At Chops in Atlanta, Karatassos says he is committed to creating a "steakhouse of the '90s." His concept is characterized by an emphasis on "real cooking," attentive tableside preparation, and a broader range of choices than most steakhouses offer, with a special emphasis on abundant, top quality seafood.

Instead of the one or two fresh fish most steakhouses offer, Chops features more than half a dozen daily. Seafood makes up almost 30% of sales, Karatassos notes.

Attention to detail in service and preparation are his other passions.

"If a customer orders oysters on the half shell, for example, they're not preopened, but opened just when the customer wants them. If he orders smoked salmon, it's sliced fresh at the table, not pre-sliced and placed on a plate to dry out. We grind the meat fresh to order for steak tartare, and prepare it at the table.

"We have our own dry aging facility right on the premises," he adds. "We dry age our short loins and cut all our filets, strips, and tenderloins."

Even the desserts are all made on-premise.

Checks average $45 for dinner and $16 at lunch, when customers can choose dinner steaks or smaller cuts and lighter fare like sandwiches and salads.

Karatassos contrasts Chops with some steak-house institutions that have kept their same menu intact for decades. "You can't operate that way today. The steakhouse of the '90s has to become interesting, exciting, and open to change," he maintains. "At the same time, you must not lose sight of your identity and become just another restaurant."

There is still a ready market for restaurants that showcase top quality prime steak, he points out, but at the same time, Karatassos says, "It's important to keep it interesting, and focus attention on the extras." **RB**

roundup

Heated Display Cabinet

Talk about a show-off! This display case has it all and it shows!—Holding cooked foods for hours in the correct "climate", heated and humidified. Food items are highlighted in the front illuminated Menu-Board and the warm glow inside the cabinet presents the food in the best possible "light", creating both customer excitement and operator profits.

Popcorn Popper

The Corn Popper features an 8 oz. popping kettle but only requires 20 inches of counter space. Production is 160 quarts of popped corn per hours. The built-in fan carries the aroma througout your service counter, attracting impulse customers anxious to buy popcorn and other snacks.

Nacho Package

The Nacho Cabinet features a chip chute to control chip breakage and needs only 125 watts to maintain chips at just the right temperature. The Cheese Dispensers have an adjustable pump to always release the right amount of cheese. For the crowning touch to your Nacho Platter, don't forget the Pepper Dispenser.

Hot Dog Package

The hot dogs are placed in a "corral" that moves up and down over a heated, flat surface. The temperature control allows the operator to maintain a hot dog for up to six hours. The corral lifts off the unit for easy cleaning. Gently warm the hot dog buns to an appetizing softness in a separate drawer.

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RESTAURANT BUSINESS

Making The Grade

FOODSERVICE EDUCATION COMES OF AGE 101

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Cover photograph by Don Kushnick
Illustration by Beth Meyers

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COVER STORY THE UNDERGROUND ECONOMY. Keeping two sets of books, under-reporting income, paying under the table. These ways to subvert the paper trail and other questionable operating methods will be examined. Can you run a profitable restaurant and still be a good citizen?

MARKET SEGMENT REPORT BAKERY. Patron interest in fresh-baked breads, rolls, and muffins continues to rise, as evidenced by the growth of chains with a streamlined baked goods and beverage menu. However, some of these chains, such as Dunkin' Donuts and Vie de France, have broadened their menus with items like sandwiches and salads, which are designed to draw in customers during dayparts other than breakfast.

SPECIAL REPORT NAFEM PREVIEW. *RB* will provide a detailed roundup of the National Association of Food Equipment Manufacturers' exhibition of new equipment and technology, with booth listings and show schedule.

MENU IDEAS CONVENIENCE FOODS. From soup bases to prepared entrees, operators are saving on labor costs and kitchen space.

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COVER STORY

The phenomenal growth of culinary and hospitality schools in this country in the last 20 years prompted *RB* to do its homework and produce an in-depth evaluation of the state of foodservice education. As the industry has matured, so has its approach to training and academic programs for its future foodservice operators, managers, and chefs. Schools have become more diverse: Hospitality programs now offer more food and beverage courses; culinary schools have added more management courses. Current issues included in this educational report card are: the need for professionalism, the shortage of teachers, and the fight for accreditation.

Foodservice Education Comes of Age

Like the industry it feeds, hospitality education has become a booming business. Over the past two decades, the number of professional culinary arts and hotel and restaurant management (HRM) programs has soared. From just a handful in the 1970s, the field has expanded to include literally hundreds of options.

FROM JUST A HANDFUL OF OPTIONS IN THE '70S, THE NUMBER OF CULINARY AND RESTAURANT MANAGEMENT PROGRAMS HAS SOARED.

According to the American Culinary Federation (ACF), there are now about 525 post-secondary community colleges and vocational-technical schools (vo-techs) in the United States that offer training in the culinary arts. And according to the Council on Hotel, Restaurant, and Institutional Education (CHRIE), there are about 170 four-year HRM programs (compared with just 40 in the 1970s), and more than 700 offering associate's degrees, certificates, or diplomas.

LABOR SHORTFALL. Yet despite this tremendous growth—and in spite of today's recessionary economy, with its attendant drop in new jobs—it is not enough for an industry facing a severe labor shortage. "The educational system today is woefully inadequate in terms of meeting the needs of the industry," says Mike Hurst, owner of 15th Street Fisheries in Fort Lauderdale, FL, and 1990 president of the National Restaurant Association (NRA). "Current capacity is not even beginning to address the industry's labor shortage, and we'll be falling even further behind in the future."

There are now some 50,000 students matriculated in two- and four-year HRM programs nationwide (with two-year students outnumbering four-year students by a factor of three to one), graduating at the rate of 20,000 to 25,000 per year, according to the NRA. But over the next five years, the NRA projects that the industry will need more than 400,000 new managers, suggesting a shortfall of serious proportions.

"We've got to build up the pipeline," says Ellen Moore, director of certification and instructional services for the Educational Foundation of the NRA, which has taken a variety of counteractive steps (see accompanying sidebars). "Although the recession has forced cutbacks in a number of recruiting programs, we're still looking at a situation of having many more jobs than students through the rest of the decade."

Is a degree really that important in today's job marketplace? It certainly helps, particularly in the area of operations management. "Because of the increasing complexity of hotel and restaurant operations, a degree is becoming more of a necessity," says Keith Kefgen, a vice president with the New York City-based executive-recruiting firm Marshall-Alan Associates, and himself a graduate of Cornell's hotel-management program, Ithaca, NY. "Many culinary people still are self-taught, but in the area of hospitality management, a degree gives you a stronger foundation and a better chance of being hired."

Many larger companies recruit anywhere from 30% to 90% of their management trainees from the hospitality schools. "The hospitality programs are a primary source for our management trainees," says Keith K. Morrow, senior vice president, human resources, for Dallas-based Wyatt Cafeterias; 80% of Wyatt's hirees come from the schools. "These graduates have the skills, the proven interest, and the attitude we're looking for."

Christian De Vos, vice president for the fine-dining division of Philadelphia-based ARA Services, feels that, generally speaking, hirees who have come up through the schools have better work habits than those who have come up through the field. "People from the culinary schools and management programs have discipline and more depth of training."

Still, there's no substitute for experience in this most practical of industries. "We stopped recruiting from the schools a few years ago because the salary expectations of graduates had climbed way out of line, especially relative to the experience level we could 'buy' for the same amount of money," says Mark Carneal, vice president, human resources for Irvine, CA-based El Torito Restaurants. "We found that graduates were long on theory and short on practical experience. Now, we'd rather let another company take them out of college and give them that initial industry experience. Then, when they become

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RECRUITMENT STRATEGIES

Most companies still look to the schools as a primary source of new supervisory personnel. Recruitment strategies for graduates, however, tend to be different from those targeted at competitors' employees. Here are some specifics:

■ Tailor training programs that address the special needs of recent graduates. "One of the reasons we stopped recruiting from the schools is because we really didn't have the right training approach in place," says Mark Carneal, vice president, human resources, for El Torito. "You need to develop training methods that address the shortfalls they have in hands-on experience. Someone with previous experience can go through the basic training in eight to 12 weeks; the recent graduate may need 16 to 20 weeks. A buddy system is also a valuable tool, pairing new recruits with established managers who can help the rookies get over that 12- to 18-month initial hump." (Carneal would like to resume recruiting from the schools on a selective basis when El Torito designs a new training program.)

■ Keep in touch with the schools. Rather than descending once a year for career days, human resources executives suggest building ongoing relationships with schools and their administrators and students. R. Wray Jones, vice president, director of food services for Neiman Marcus, makes regular trips to the schools to speak about the industry and the particular benefits of working for his company.

More than 700 students registered for Boston University's Network 91, a hospitalty career fair.

■ Consolidate geographically in order to reduce costs per hire and make recruiting as efficient as possible. "We don't go to as many schools as we used to, but we get more acceptances because we're concentrating on schools in markets where the students are more likely to know us," says Keith K. Morrow, senior vice president, human resources for Wyatt Cafeterias. Morrow also lectures extensively at the schools, along with six of his Wyatt colleagues, and has an on-staff college relations manager.

A representative from Sheraton Corp. talks to a hospitality student at a career fair.

■ Support the schools. Money spent helping the schools is returned in kind in exposure and good will for the company. Many companies endow student scholarships, make donations that enable educators to travel to industry events, contribute money to the program's general fund for items like facilities improvements and books, or make direct gifts of equipment, supplies, or other resources. ARA has contributed to a number of programs to benefit minorities, and is involved in a joint venture with Marriott to provide internships for faculty members of a number of schools. "All of these things help us build a better relationship with the schools, and help us build our image as a preferred employee," says Joel Katz, ARA's director of human resources development.

■ Be specific about presenting the company to students. Wyndham Hotels sends operations people—the hotel general managers—not human resources staff, to interview at the schools, says Mary Watson, regional vice president for the company's Garden Hotels division. "Students hear the real thing from the people who are on the line. We are also very up front about what the hotel business is like: the hours required, the level of commitment and hard work that's necessary."

■ Enlist help from other students. Like a number of companies, Hilton has paid on-campus student liaisons at its major target schools, who come for a one-day training program at the company's Beverly Hills, CA, headquarters and then return to the school to become a satellite resource center for Hilton. "These student liaisons work with deans, faculty members, and students to make everybody more aware of the company," says Susan Bastianello-Salazar, director of recruitment. "They're a great tool, and they often end up working for Hilton themselves upon graduation. It's important to give all the support they need."

■ Be strictly ethical in recruiting procedures. "Some companies are doing all the wrong things on the campuses," says Rudy La Kosh, director of employment for Stouffer Hotels and Resorts. "They're using inappropriate criteria for the interviewing procedure, interviewing when they may not actually be offering any jobs. With so much competition for the best graduates, a company just can't afford to do this."

PHOTOGRAPHS BY BOSTON UNIVERSITY PHOTO SERVICES

disillusioned with their first job—and 60% to 80% of them will—we hire them. It saves us time and money."

STUDENT MATURITY. Many students in culinary and HRM programs are career-changers—older students who may have a degree in another subject but who have worked in hotels and restaurants as a stopgap—or have years of experience and then go back to school to validate their skills. For this reason, the typical culinary or HRM major brings an unusual degree of maturity, commitment, and exposure to the field from his or her educational career. Couple that with the fact that many programs include a significant experiential component—a practicum, internship, or part-time job requirement—and you get a student body that's unusually employable.

"Our first priority in hiring management trainees is to find someone who has a demonstrated commitment to the industry through their work and academic experience," says Rudy La Kosh, director of employment for Solon, OH-based Stouffer Hotels and Resorts. "Most graduates of hospitality management programs are there because they know they want to work in the industry."

The schools are certainly well aware of this. The four-year hospitality degrees at Johnson & Wales in Providence, RI, for instance, are designed around a unique "upside-down" curriculum, wherein students are exposed to course work in their major right away, rather than waiting until their junior and senior years after their academic requirements are fulfilled. "We are front-loading the skills into the first two years so that students have the hands-on experience they need to get a part-time job right away," says Carolyn Cooper, chairman of the hospitality program at Johnson & Wales. "Even though the average age of our student is 18, most already have some industry job experience, and they want to get right into it."

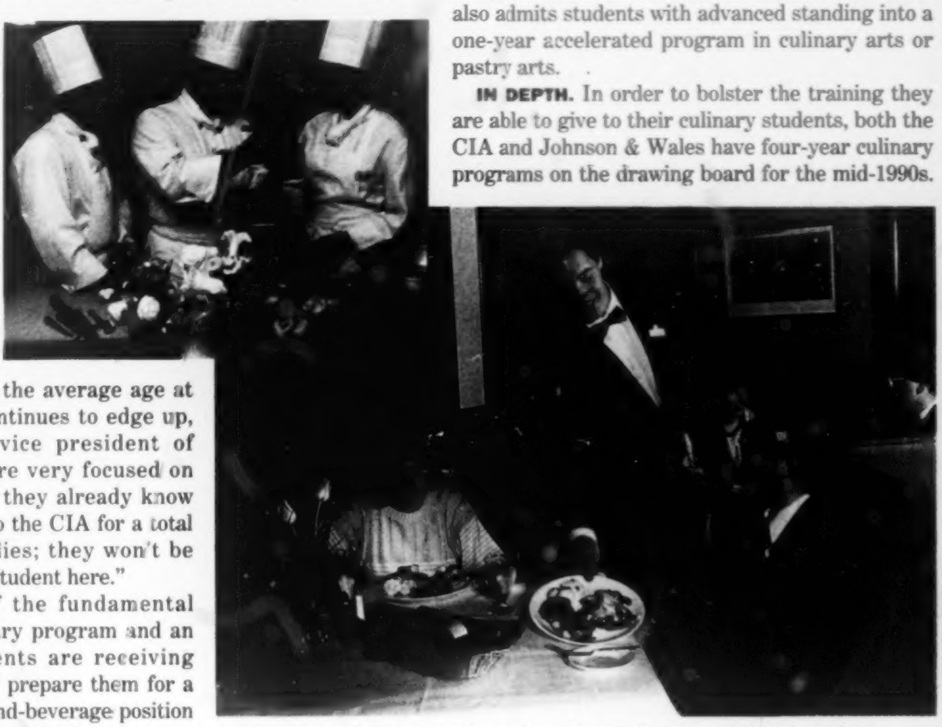
At the Culinary Institute of America (CIA) in Hyde Park, NY, 45% of the current student body has had some prior college, and the average age at matriculation is 22. That continues to edge up, according to Tim Ryan, vice president of education. "Our students are very focused on culinary education, because they already know what they want. They come to the CIA for a total immersion in culinary studies; they won't be rooming with an engineering student here."

Which points up one of the fundamental differences between a culinary program and an HRM one: Culinary students are receiving technical skills, ones that will prepare them for a job in the kitchen or a food-and-beverage position at the assistant level. Four-year HRM students, on the other hand, are getting more theory, as well as a general academic background in liberal arts or humanities or business (depending upon the school), and are moving into management-training programs. Many employers say that's not enough.

"Our ideal graduate has both a two-year culinary degree and either a two-year or four-year hospitality management degree," says R. Wray Jones, vice president, director of food services for Neiman Marcus, the Dallas-based retail chain. "And that's the exact combination that I would recommend to anyone entering school today who wants to work in this industry. You have to have both management skills and culinary skills to really succeed, and none of the existing programs provide enough of both."

Indeed, many graduates from two of the better-known and more prestigious culinary programs in this country—the CIA and Johnson & Wales—go on to get management degrees. According to the CIA's Ryan, approximately 30% of the school's graduates transfer to an HRM program in order to gain enough managerial expertise to get on a career track as a corporate manager, executive chef, food and beverage manager, or even to open a restaurant. At Johnson & Wales, about 40% of the graduates of the school's two-year culinary program stay on for an additional two years to get their baccalaureate in foodservice management through J&W's hospitality division. "The successful manager of the '90s needs exposure to both back-of-house and front-of-house skills," says Thomas Wright, dean of culinary administration for Johnson & Wales, which also admits students with advanced standing into a one-year accelerated program in culinary arts or pastry arts.

IN DEPTH. In order to bolster the training they are able to give to their culinary students, both the CIA and Johnson & Wales have four-year culinary programs on the drawing board for the mid-1990s.


CONSTANCE BROWN

Inset: Johnson & Wales' assistant dean Jean-Michel Vienne with students. The dining room class is held in one of the school's practicum facilities, where hospitality students polish their service skills.

"In a two-year program, the problem becomes: How much can you teach these people before the bag breaks?" says Johnson & Wales' Wright. "Giving them two additional years to learn would allow us to really go in depth with the technical skills and add more theory." Both programs, say the schools, would continue to focus on culinary arts, but add additional management-oriented course work.

"This is truly the era of the educated chef," says L. Edwin Brown, executive director of the ACF. "Just working is not enough anymore, even if it's a series of jobs calculated to give you maximum exposure to the different skills needed to run a kitchen. And if you want to get into anything managerial—food and beverage, sales, catering—then transferring to an HRM program after culinary school or an apprenticeship is definitely the way to go. That's why it's especially important to go for an associate's degree, not just a certificate or a diploma."

ARA's De Vos chalks it up to the general decline in the number and scope of fine-dining opportunities in this country. "Fewer people want to work in the kitchens; they want to work in the front-of-the-house. And for that, they need to get other specialized skills."

At least one school, however, teaches nothing but culinary skills, to students who want to work in fine kitchens. The French Culinary Institute in New York City offers an intensive, highly focused six-month program in classic cooking techniques that prepares students to work in upscale, white-tablecloth restaurants. "We get students who want to cook," says Dorothy Cann, the Institute's president. Graduates of the school, notes Cann, have been accepted into the kitchens of such prestigious restaurants as Le Cirque, Le Bernardin, and Bouley in New York City, and as far afield as Auberge d l'Ill, the Michelin three-star bastion in Alsace, France. Still, Cann points out that these are line positions, not chef's jobs, and that the real work of learning is still ahead. "We tell our students that they will be executive chefs in 10 years if they work hard. And if they want to learn about management, we advise them to begin by working in a well-managed restaurant."

FOOD AND BEVERAGE. Many HRM programs are also addressing the industry's need for managers with significant exposure to the mechanics of food and beverage preparation and service. "We're not teaching our students how to run kitchens, but we are teaching them how to manage the people who are running the kitchens," says Mary Tanke, Ph.D., an associate professor at Florida International University (FIU) and chairman of the CHRIE-sponsored Accreditation Commission for Programs in Hospitality Administration. To that end, FIU has just opened new state-of-the-art food labs and requires what Tanke characterizes as a "heavier-than-average" load of food-and-beverage courses. "I don't think that the educational community has fully explored the potential for combining both culinary and management coursework in a single degree," adds Tanke. "It's a tall order because of the kinds of resources and facilities that are required, but it can be done."

Students at Cornell's School of Hotel Adminstration operate Statler Hall (inset), a working hotel. But Cornell also emphasizes culinary skills in food labs (above).

Washington State University has also recently added new food lab facilities and is beefing up the food-and-beverage content of its baccalaureate program. "Laboratory courses are necessary to prepare the student for the field," says W. Terry Umbreit, Ph.D., director, Hotel and Restaurant Administration, College of Business and Economics, for the Pullman, WA-based school. "We will continue to concentrate on our proven strengths in accounting, business, and management, but adding the food-and-beverage component brings balance and diversity to the program."

"It's practical and advisable to integrate the two disciplines more," says Joseph Durocher, Ph.D., chairman, Department of Hotel Administration, University of New Hampshire. "A food and beverage manager doesn't need to know all the classic sauces, but he does need to have a basic background in food preparation. There's a mindset now of creative skills versus management skills that needs to change. Cooking schools need to integrate more management courses into their curriculums, and management programs need to offer more food and beverage. I think that 20

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years from now, you won't even be able to tell the difference between the culinary programs and the HRM ones." For its part, UNH's curriculum includes core courses in introductory and advanced food and beverage management.

IN PLANNING THEIR CURRICULUM, SCHOOL OFFICIALS HAVE REALIZED THAT STUDENTS NEED A COMBINATION OF BOTH CULINARY AND MANAGEMENT TRAINING.

MANAGEMENT NICHE. Still, there are plenty of schools that focus on management and front-of-the-house skills and are proud of it. "Many schools have developed a special focus in the area of management," says H.A. (Andy) Devine, Ph.D., director, school of Hotel and Restaurant Management, University of Denver. "In order to fit that depth of management concentration into four years, we have to soft-pedal the technical side, including culinary, in favor of management skills. Some programs—especially the ones operating within a college of business—are even more restricted, because they have to fulfill additional business requirements."

Within the framework of the management orientation, however, certain schools have obvious strengths or areas of specialization. Penn State, for instance, has revised its curriculum to provide more emphasis on noncommercial foodservice management. Washington State is known for its specialization in the area of quick service. "A few years ago, less than 5% of our graduates went into the QSR segment," says Umbreit. "Today, it's more like 15%." Although the school has also attempted to balance its curriculum more evenly between hotel and restaurant concentrations, it has developed a number of ongoing relationships with major QSR chains and offers one class plus a conference geared to the segment.

In general, the schools have been concentrating a little more on restaurant management, rather than on hotels as in the past. Partly, this is due to the slump in the hotel sector, but it's also due to the interests of students themselves.

One of the most well-known "hotel" programs is Cornell's, yet according to Fred H. Antil, Ph.D., special assistant to the dean for corporate relations and placement, more than one-third of Cornell's graduates go into foodservice positions. "Despite the fact that the industry still perceives us as a hotel school, we have long seen ourselves as a hospitality management school in the broadest sense," says Antil. "Our graduates are in restaurants, in airline feeding, B&I operations, country clubs. We are a management-oriented business school with a service focus."

Indeed, many schools report that as many as half of their graduates are moving into foodservice job, as recently as five years ago, close to 80% were choosing the hotel sector. "I think all of us, industry as well as educators, are starting to do a better job of telling students about the diversity of opportunities out there," adds Antil.

COLLEGE MARKET. One company that's been raising its profile is ARA. "Until recently, not that many students were attracted to a career in foodservice management, so we didn't do that much recruiting from the schools," says Joel Katz, ARA's director of human resources development. "Then, about four years ago, we realized that the college market was important to us, but first we needed to educate faculty and students to the advantages of working for a company like ARA. We had to make the college market appreciate us. Now, we are regarded as a preferred employee."

Apart from the obvious differences in curricula, schools have different cultures too, and as a result, graduate very different types of students. A lot of this has to do with proximity to education-related work experiences.

"One of our greatest strengths is our location in Boston," says Denise Dupré, director, School of Hotel and Food Administration, Boston University. "We require our

Above: Executive chef Lewis Reed shows off the new kitchen at Washington State University, Hotel and Restaurant Administration. The school's dining room facility at rignt is also new.

students to have two separate work experiences for a total of 800 hours, and because of the diversity of work options here in Boston, our students have a great deal of exposure to a variety of practical experiences."

Indeed, many recruiters classify graduates by their job experience. "Because our focus is on operations, we are looking for graduates with specific strengths in operations," says Mary Watson, regional vice president for the Garden Hotels division of Dallas-based Wyndham Hotels. (Garden Hotels, which accounts for 20 of Wyndham's 36 properties, are smaller hotels with single foodservice operations, and it is into this division that Wyndham recruits its managers in development.) "At schools like Northern Arizona University and University of Wisconsin-Stout, students are working during school and contributing to their own financial well-being. Not only do they have better levels of operational experience but they also are much more realistic about what it takes to make it in this inudstry. That's very attractive."

"Different schools do graduate very different kinds of people," says Susan Bastianello-Salazar, director of recruitment for Hilton Hotels. "Students from Florida International University or University of Nevada, Las Vegas, for example, tend to have more experience because of the job opportunities in those markets. And because the cost of living in those areas is relatively low, these schools attract career-changers, who tend to be older and more adept at combining the demands of work and family. Michigan State, on the other hand, is wonderful at teaching leadership skills and management theory, but the students have a harder time integrating these skills with experience because of the school's location out

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A full 80% of Wyatt Cafeterias' hirees come from culinary and restaurant management schools.

ACCREDITATION

One of the major developments to hit the hospitality education field in recent years is uniform accreditation. Up until now, culinary and HRM programs have been accredited within the context of their "parent" institutions, resulting in an admixture of standards set by organizations ranging from the State Department of Education to NATTS, the accrediting body for vo-tech schools (which teach everything from culinary arts to plumbing).

Now the Council on Hotel, Restaurant and Institutional Education (CHRIE) and the American Culinary Federation Educational Institute (ACFEI), the educational arm of the American Culinary Federation, have rallied to begin accrediting hospitality programs on the basis of common, industry-accepted standards. In a pair of linked campaigns that should have long-ranging effects on the hospitality-education field, ACF began accrediting two-year culinary programs in 1986 (there are now 36 such programs accredited), and CHRIE will give the nod to its first batch of four-year HRM programs this summer. Both efforts are based on a self-study process undertaken by the schools themselves.

The benefits of CHRIE- or ACFEI-accreditation are multifold. According to L. Edwin Brown, executive director of the ACF, accreditation brings standardization to a field that has proliferated unregulated for the past two decades, and it also provides transferability and credibility for individuals completing ACFEI's apprenticeship in more than 100 two-year culinary programs around the country. (The three-year apprenticeship program, consisting of two years of education plus a year of industry experience is one of the primary points in ACF's drive to bring professionalism to the craft of culinary arts—along with accreditation and chef certification.)

According to Doug Adair, executive vice president of CHRIE, the accreditation program evaluates programs on the basis of four key areas: faculty, administration, student services, and the institution's support of the program. "Before this, there were no recommended standards for hospitality education, leaving the door open for anyone to take in students, even if the program was not up to industry requirements," says Adair. "The ultimate goal of accreditation is to provide a kind of quality assurance for hospitality administration programs, and to establish a common body of knowledge for all programs."

There will be other, long-term benefits as well. It will be easier for program administrators to squeeze budgets from the parent institution if the program is accredited, for one thing, which could utimately lead to more full-time faculty, more scholarships, more facilities. "Some school administrators have traditionally looked to the hospitality program as a cash cow because it's such a growth field, without necessarily making a proportionate investment in the program," says Mary Tanke, Ph.D., chairman of CHRIE's accreditation commission and an associate professor at Florida International University.

"Accreditation will, in the long run, increase the quality of hospitality education in this country."

MANY INSTITUTIONS HAVE ESTABLISHED STRONG TIES WITH MAJOR FOODSERVICE COMPANIES, WHICH MAKES IT EASIER FOR GRADUATES TO GET JOBS.

there in East Lansing. Fortunately, a company the size of Hilton can actually benefit from all that diversity."

IS BIGGER BETTER? Size is also important. "With 1,850 students and more than 100 faculty members, we are able to offer our students the benefits of exposure to a large number of different viewpoints and experiences," says the CIA's Ryan. "In addition, we have 22,000 alumni out in the field who have already gained position and prominence in the industry, and that's a major advantage for graduates."

For many smaller schools, achieving this kind of size and impact is an important strategy for the future. Boston University's program, now 10 years old, currently enrolls 300. Over the next few years, says Dupré, that number will increase to 500, allowing the school to invest in more full-time faculty and facilities, and to attract more recruiters with more job offers. "It's really important that the core courses be taught by full-time rather than adjunct faculty," says Dupré. "But you need a certain critical mass to achieve that."

Yet not every potential employer would agree with this. ARA's De Vos, for one, prefers to hire his chefs from smaller schools like Kendall College (about 180 students) and Sullivan College (with 150 students in culinary arts). "In the smaller programs, the students are learning from the instructors themselves, not from the associate instructors, and they're getting more individualized training and monitoring. In addition, the smaller programs tend to get older students—very few come straight out of high school."

Faculty profile also has an impact on the nature of a school's program. At the CIA, two-thirds of the faculty are working chefs or former chefs; one-third are degreed professionals. At Johnson & Wales, the faculty tends to create more of a balance between educators and industry professionals. "When it all boils down to it, though, we'll take 20 years of industry experience over a degree, anytime," says Johnson & Wales' Cooper.

And at research-oriented facilities like Penn State and Georgia State, the Ph.D. is more of a priority. "Many of the four-year programs have put their emphasis on academic credentials over industry experience," says University of Denver's Devine. "The older tenured professors traditionally came out of industry, but more recently

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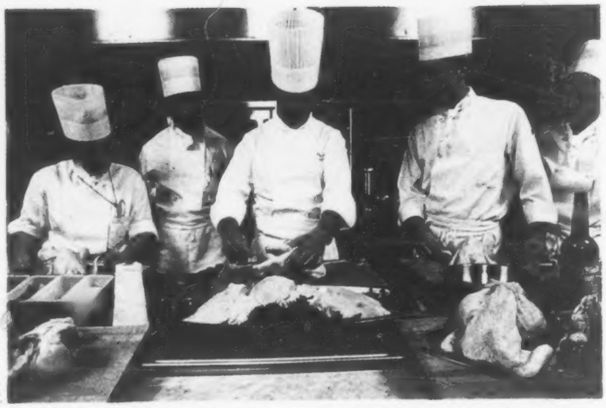
CONTINUING ED

In addition to their role as primary educators, the schools play an important part in the industry's continuing education. Schools such as Johnson & Wales and the Culinary Institute of America as well as many community colleges, offer a regular program of courses to professionals—everything from one- and two-day seminars to semester-long courses—designed to keep chefs and managers current. In addition, many schools custom-design training programs and other continuing-education opportunities for a variety of businesses.

According to Tim Ryan, vice president of education for the CIA, more than 2,000 industry professionals receive some sort of continuing education at the CIA every year, either through corporate-sponsored training or individually; many are chefs undergoing the process of certification or recertification. CIA was the first school to offer continuing ed year-round, says Ryan, and the first to have a separate facility dedicated to the ongoing training of industry. Most popular these days, adds Ryan, are nutrition-oriented courses, but typical subjects include garde manger, quantity food production, culinary update for educators, and career exploration, as well as such cuisine-based courses as Far Eastern and Eastern European cooking. The school is now looking at northern California as an auxiliary continuing-ed location and as a pivot point for an eventual West Coast campus.

Johnson & Wales is also very active in the area of continuing education. According to Thomas Wright, dean of culinary administration, the target market for continuing ed includes not only chefs and managers but also HRM and culinary educators, manufacturers, and others allied to the industry. And full-time workers in pursuit of an associate's degree can take their classes on weekends.

"Schools, especially community colleges and other locally based institutions, are a tremendous but often overlooked resource for ongoing training," notes Edward Sherwin, chairman, Hotel-Motel/Restaurant-Club Management Department, Essex Community College, Baltimore, MD which does contract training for local hospitality companies. "We can bring the methodology and expertise to the educational process that corporate trainers often lack."



The French Culinary Institute, NYC, offers an intensive, highly focused six-month program in classic cooking techniques.

JONATHAN PITE

universities have been hiring younger faculty with good academic backgrounds but less industry experience. The trick is to achieve a balance."

The industry itself tends to look askance at the need for a terminal degree, however. "Lee Iaccoca doesn't have a Ph.D., but wouldn't you want to take a business course from him?" says ARA's Katz. For another thing, getting a Ph.D. is an expensive proposition, and only a handful of schools offer the degree within the context of a hospitality program.

SHORTAGE OF TEACHERS. Yet there continues to be a grave shortage of qualified educators. "I'm not denigrating adjunct faculty," says UNH's Durocher, "but these kids need teachers who are available to them at all times, who can provide that direction and continuity that only a full-time academician can. Too many schools try to beef up their faculties with part-time teachers, but while this enhances professionalism and industry experience, you don't get the same level of commitment. There has to be a balance between experience and academics."

Mike Hurst feels that in order to meet the growing demand for qualified teachers, the industry must change its definition of scholarship. "You have to invest in lifting the exposure of teachers to industry," he insists. "Give teachers resources and contacts. Give the schools money so that educators can get out into the industry and attend seminars and shows. A dollar spent on a scholarship for a teacher has a bigger payoff than a dollar spent on a scholarship for a student, because the teacher will pass his knowledge along, year after year."

Educators refer to this as the Ivory Tower Syndrome, and many will jump at the chance to get out of it. Earlier this year, University of Denver's Devine took a leave of absence from his former position as a professor at Penn State to take part in a cooperative project to examine issues of beverage management and control—lessons that Devine will incorporate into the curriculum this fall. And this summer, in a joint venture with Marriott, ARA brought six faculty members from hospitality management programs around the country in for an internship program. In addition to sharing skills with educators, the program helps raise the profile of the foodservice management sector in general—and these two companies in particular—among the people who are most likely to pass this information on.

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CERTIFICATION

Anyone who's stood in a doctor's office reading all the diplomas knows the value of that piece of sheepskin. But there is also great value in experience, and in an industry like hospitality, experience is often the common currency—and certification is the documentation.

The American Culinary Federation Educational Institute (ACFEI), the education arm of the ACF, has certified more than 5,000 professional chefs on the basis of work experience, education, and professional association with the ACF. Points are accumulated for a variety of career accomplishments, from years in the field to school course work or equivalency, in order to gain certification at any of nine professional levels, including certified master chef, certified executive chef and executive pastry chef, and certified culinary educator.

According to ACF executive director L. Edwin Brown, certification is a necessary tool in today's competitive environment. "Certification means that an indivdual has demonstrated proficiency in a variety of different areas, including nutrition, sanitation and safety, and supervisory development. And because recertification entails 80 hours of continuing education every five years, the system is also dedicated to keeping chefs and culinary educators current in their fields."

This May, the Educational Foundation of the National Restaurant Association (NRAEF) announced its new Foodservice Management Professional (FMP) Certification Program, providing similar credentials and certification to foodservice managers. According to Ellen Moore, director of certification and instructional services, the program gives managers an opportunity to document their career progress, and gives industry a chance to recognize managers as the professionals they are. "It's been difficult for managers to gain acceptance from their peers and the community at large," says Moore, "but this program provides that recognition and also helps promote the image of the industry as a career for professionals." Like the ACFEI certification, the FMP program recognizes a flexible array of industry and educational experiences and provides a standard by which disparate backgrounds can be evaluated. The FMP certification program, launched in July, calls for recertification every three years, and is available to current foodservice unit managers, multi-unit managers, corporate executives, educators in the field of foodservice management, and corporate management trainers.

ROLE OF COMMUNITY COLLEGES. The schools are returning the favor through continuing education. Elgin Community College in Elgin, IL, for instance, which grants two-year associate's degrees in both culinary arts and hospitality management, has custom-designed a training program for foodservice employees at nearby Motorola. According to Mike Zema, CCE, Elgin's coordinator of hospitality management, community colleges are ideally suited to continuing education because they are so closely linked to their local markets. “We have taught week-long seminars in culinary arts to local home-economics teachers, we teach adult education courses to the local community, and our curriculum is flexible enough to allow us to tailor training programs for local companies.” Adult education, adds Zema, is an important way to reach the large base of older potential career-changers who are interested but lack confidence.

> JOB RECRUITERS OFTEN HIRE GRADUATES BECAUSE OF THEIR WORK EXPERIENCE, AND ARE LESS IMPRESSED BY SCHOOLS' REPUTATIONS OR DEGREES.

The community colleges have other, vital roles in the education link. In addition to appealing to older students who are changing careers or returning to school after some time in the workplace, two-year programs provide a valuable source of lower-level management talent. “Companies are rightly tapping the four-year programs for their mid-level management needs and management training programs,” says Edward Sherwin, chairman, Hotel-Motel/Restaurant-Club Management Department, Essex Community College in Baltimore, MD. Although Essex, like Elgin Community College, encourages its graduates to go on to a baccalaureate program (many ECC graduates take the two-year culinary program and two-year management program instead), Sherwin believes that graduates of the two-year management programs are often overlooked by recruiters.

“Many of our graduates come into the program with five or 10 years of experience, and they're coming back to school to validate their skills,” says Sherwin. “In addition, companies should be looking to us as a place to send their employees for additional skills. There's too much in-house training being carried out by people who lack the proper qualifications. We're educators, and we can have an important role in the ongoing training of the industry.”

Many community colleges and vo-techs, lacking the resources to develop their own curriculums or the visibility to guarantee their graduates the credentials they want, have turned to the NRA Educational Foundation's Diploma Program. An outgrowth of the Foundation's Applied Foodservice Sanitation course, now offered in more than 350 educational locations and about 70 corporate management training programs, the diploma program recognizes what sales manager Kathleen Wood calls a “common body of knowledge” in foodservice. Fifty schools in 18 states now offer the diploma program, the majority of them two-year institutions. In addition, the program is being made available to individuals who are already out in the industry but who seek recognition of existing skill levels, and for corporate trainers to use in their in-house training programs. Consisting of eight courses or equivalency in the areas of human resources, finance, administration, marketing, and operations, plus the sanitation component, the diploma program provides a means for teaching and documenting the essentials of foodservice.

Zema of Elgin Community College, which recently added the diploma program to its existing two-year management degree, says: “The diploma program is a good tool for us because while employers in Illinois may know Elgin Community College, what happens when the graduate moves to Ohio? The diploma program establishes industry proficiency and makes it transferable throughout the country. It also places a quantifiable value on industry experience.”

BUILDING PROFESSIONALISM. All of which helps to address another major problem faced by the hospitality education field: Getting students interested in the industry in the first place. “This industry has never had to recruit and develop young people on its own,” notes Mike Hurst. “We've hired plenty of employees but we've never had to develop chefs and managers and supervisors. In addition to that, we have an image as a place to work, not as a career opportunity.”

Hurst, like many of his colleagues, proposes that the industry begin with high-school students, launching a full-fledged marketing program to make foodservice more appealing to career-oriented teenagers. To that end, Hurst has urged state associations to commit to an ongoing effort to educate guidance counselors, principals, and teachers.

Even more, industry must also learn to accommodate students from the HRM and culinary schools. “Companies need to work with students to make them more aware of what the opportunities and challenges are,” says Cornell's Antil. “They have to become more creative and more flexible in their recruiting and hiring practices. They have to look at these kids as individuals and be sensitive to their aspirations. There are a lot of bright young people graduating today who are not afraid of hard work—they're just afraid of getting lost.” **RB**

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TYPES OF DEGREES OFFERED

Program Type	Institutional Setting	Curriculum Objectives	Completion Time	Faculty
Certificate and Diploma Programs	Business, Technical and Career Institutes	Provide students w/ specialized skills for specific hospitality jobs	1-3 years	Primarily industry and training. May also have B.S./ B.A.; some have graduate degrees
Associate Degree Granting Programs*	Community Colleges and Vocational-Technical Schools	Provide training and education for hospitality management careers. Emphasis on career education and technical skills, but curricula includes general education components. Some degrees transferrable to baccalaureate programs	2 years	Same
Baccalaureate Degree Granting Programs (B.S., B.A.)	Four-year Colleges and Universities	Career education in combination with broad general studies component and advanced learning skills. Emphasis on conceptual abilities and integrating knowledge with other disciplines	4 years	Combination of industry experience, graduate education. Heavy emphasis on graduate education
Graduate Degree Granting Programs (M.S., Ph.D.)	Universities	Advanced education for specialized industry positions or future educators. Emphasis on creating interdisciplinary base for applied studies and research, policy analysis, planning and theoretical education	1-2 years (Masters) 3-5 years (Doctorate)	Doctoral education; industry experience not always required

* Includes Associate of Science; Associate of Applied Science; Associate of Applied Arts and Sciences; Associate in Occupational Studies; Associate of Arts;Associate of Applied Business; Associate of Technical Arts; Associate in Food Service/Restaurant Management; Associate in Hotel-Motel Management,Restaurant/Club Management

SOURCE: Council on Hotel, Restaurant and Institutional Education

RESOURCES

American Culinary Federation

10 San Bartolla Rd.
St. Augustine, FL 32084
904/824-4468

Scholarships (limited to ACF members); accreditation; certification; education; career information

Council on Hotel, Restaurant and Institutional Education

1200 17th St., N. W.
Washington, DC 20036
202/331-5990

Nonprofit organization "fostering the international advancement of teaching, training, learning, research, and practice in the field of hospitality and tourism management." Accreditation, education, career information

Educational Foundation of the National Restaurant Association

250 S. Wacker Dr., Ste. 1400
Chicago, IL 60606
312/715-1010

Scholarships; management certification; education; career information

Educational Institute of the American Hotel & Motel Association

1407 S. Harrison Rd., P.O. Box 1240
East Lansing, MI 48226
517/353-5500

Education; career information

THE SCHOOLS: TWO-YEAR PROGRAMS

Baltimore's Intl. Culinary College

Professional Cooking/Professional Baking & Pastry/Innnkeeping/ Restaurant Management

Director of Admissions
Baltimore's Intl. Culinary College
Harbor Campus
Baltimore, MD 21202
301/752-4710

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Program Enrollment: 350
Degrees Awarded: Associate of Arts, Certificate
Degree Categories: Associate of Arts in Professional Cooking, Professional Baking & Pastry, Innkeeping, Restaurant Mgmt.; Certificate in Professional Cooking, Professional Baking & Pastry, Innkeeping, Restaurant Mgmt.

California Culinary Academy

Professional Chef Program

Dr. Thomas Bloom
President/CEO
California Culinary Academy
625 Polk St.
San Francisco, CA 94103
415/771-3536

Program Enrollment: 525
Degree Awarded: Diploma (Professional Chef)
Emphasis/Specialization: Four-month Senior Pastry Apprenticeship

Culinary Institute of America

Culinary Arts, Baking & Pastry Arts

Cathy Grande
Director of Admissions
Culinary Institute of America
651 S. Albany Post Rd.
Hyde Park, NY 12538
914/452-9430

Program Enrollment: 1,850
Degree Awarded: Associate in Occupational Studies
Degree Categories: Culinary Arts, Baking & Pastry Arts

Community College of Southern Nevada

Hotel, Restaurant, and Casino Management

Dr. Russell E. Anderson
Department Chairman
Hotel, Restaurant and Casino Mgmt.
Clark County Community College
North Las Vegas, NV 89030
702/643-6060

Program Enrollment: 800
Degrees Awarded: Associate of Applied Science, Associate of Arts, Certificate of Achievement
Emphasis/Specializations: Hotel Mgmt., Restaurant Mgmt., Casino Mgmt., Hospitality & Casino Marketing, Hotel Admin., Culinary Arts

Educational Foundation of the National Restaurant Association

Food Service and Hospitality Management

Marc J. Gordon
Senior Director
Sales & Marketing
The Educational Foundation of the National Restaurant Association
250 S. Wacker Dr., Suite 1400
Chicago, IL 60606
312/715-1010

Degrees Awarded: National Restaurant Assoc. Mgmt. Diploma, Course Completion Certificates, Food Service Mgmt. Professional Certification
Degree Categories: Food Service Mgmt., Adminstration Mgmt., Financial Mgmt., Human Resource Mgmt., Marketing Mgmt., Operations Mgmt.

Educational Institute of the American Hotel & Motel Association

Hotel, Motel, and Food Service Management

E. Ray Swan
President
Educational Institute of the American Hotel & Motel Association
1407 S. Harrison Rd., P.O. Box 1240
East Lansing, MI 48826
517/353-5500

Degrees Awarded: Hospitality Mgmt. Diploma, Course Completion Certificate, Certificate of Specialization
Degree Categories: Rooms Division Mgmt., Food & Beverage Mgmt., Marketing & Sales Mgmt., Engineeering & Facility Mgmt., Acctg. & Financial Mgmt.

Elgin Community College

Hospitality Program

Mike Zema
Chairman
Hospitality Program
Elgin Community College
1700 Spartan Drive
Elgin, IL 60123
708/697-1000, ext. 7554

Program Enrollment: 150
Degrees Offered: Associate of Science
Degree Categories: Hospitality Management, Culinary Arts

Essex Community College

Hotel-Motel/Restaurant-Club Management

Edward Sherwin
Chairman,
Hotel-Motel/Restaurant-Club Mgmt. Dept.
Essex Community College
Baltimore County, MD 21237
301/522-1456

Program Enrollment: 350 credit/1,150 noncredit
Degrees Awarded: Associate in Arts, Certificate, Letter of Recognition
Degree Categories: Associate in Hotel-Motel Mgmt., Restaurant-Club Mgmt.; Certificate in Hotel-Motel Mgmt., Restaurant-Club Mgmt.; Letter of Recognition in Institutional and School Food Service, Hospitality & Tourism

French Culinary Institute

Culinary Arts

Director of Admissions
French Culinary Institute
462 Broadway
New York, NY 10013
212/219-8890

Program Enrollment: 80
Degree Offered: Certificate

Johnson & Wales University

Culinary Arts Division

Richard Brush
Director of Hospitality Education
8 Abbott Park Pl.
Johnson & Wales University
Providence, RI 02903
401/456-1000

Program Enrollment: Culinary, 1,800
Degrees Awarded: Associate in Occupational Science (AOS), Associate in Science (A.S.)
Degree Categories: AOS in Culinary Arts, Baking & Pastry Arts; AS in Hotel-Restaurant Mgmt., Food & Beverage Mgmt., Restaurant/Institution Mgmt., Recreation/Leisure Mgmt., and

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Travel/Tourism
Campuses are also maintained at Charleston, SC (Culinary Arts/Hospitality) and Norfolk, VA (Culinary Arts)

Kendall College

The Culinary School

Director of Admissions
Kendall College
2408 Orrington Ave.
Evanston, IL 60201
708/866-1304

Program Enrollment: 180
Degrees: Associate in Applied Science, Associate of Arts, Bachelor of Arts
Degree Categories: Associate in Culinary Arts, Hospitality Mgmt.; Bachelor in Hospitality Mgmt.

New England Culinary Institute

Culinary Arts

Admissions Director
New England Culinary Institute
RR #1, 250 Main St.
Montpelier, VT 05602
802/223-6324

Program Enrollment: 370
Degree Awarded: Associate in Occupational Studies
Degree Category: Culinary Arts

New York Institute of Technology

Culinary Arts

Francis X. Brown
Dean
School of Hotel Admin. and Culinary Arts
New York Institute of Technology
Carleton Ave.
Central Islip, NY 11722
516/348-3290

Program Enrollment: 550
Degrees Awarded: Associate in Occupational Studies
Degree Categories: Culinary Arts

Pennsylvania Institute of Culinary Arts

Culinary Arts

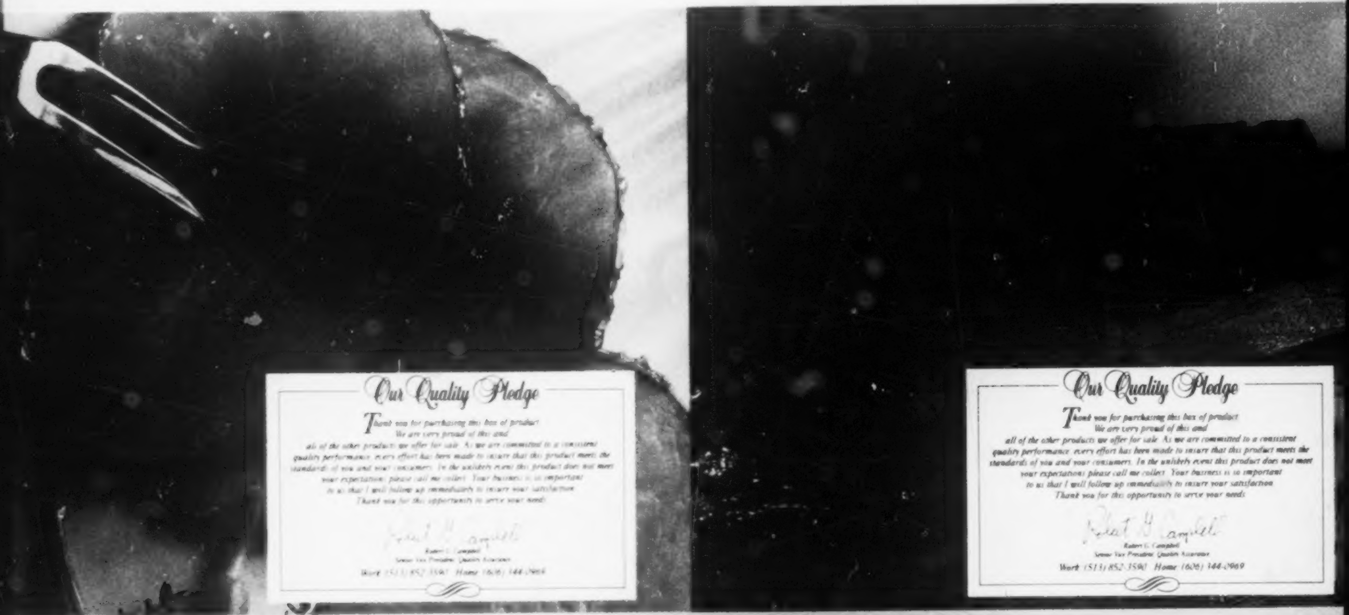
Scott Root
Admissions Director
Pennsylvania Institute of Culinary Arts
700 Clark Bldg.
717 Liberty Ave.
Pittsburgh, PA 15222
412/566-2444

Program Enrollment: 500
Degree Awarded: Specialized Associate
Degree Category: Culinary Arts

BACCALAUREATE/ GRADUATE PROGRAM

Boston University

School of Hotel and Food Administration



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Denise Dupré
Director
School of Hotel and Food Administration
Boston University
808 Commonwealth Ave.
Boston, MA 02215
617/353-3261

Program Enrollment: 300
Degree Awarded: Bachelor of Science
Degree Categories: Hotel and Food Adminstration
Emphasis/Specialization: Intl. Hosp. Mgmt., Financial Mgmt., Marketing Mgmt., Mmgt. Information Systems, Food & Beverage Mgmt.

California State Polytechnic University Pomona

Hotel and Restaurant Management

Dr. Robert W. Small
Director
Center for Hosp. Mgmt.
California State Polytechnic, Pomona
3801 W. Temple Ave.
Pomona, CA 91768
714/869-2275

Program Enrollment: 800
Degree Awarded: Bachelor of Science
Degree Category: Hotel and Restaurant Management
Emphasis/Specialization: Food & Bev. Mgmt., Hotel Mgmt.

Cornell University

Hotel Administration

Cheri Farrell
Director of Admissions
School of Hotel Administration
Cornell University
Statler Hall
Ithaca, NY 14853
607/255-6376

Program Enrollment: 670 undergraduate; 100 graduate
Degrees Awarded: Bachelor of Science, Master of Professional Studies, Master of Science, Doctor of Philosophy
Degree Category: Hotel Administration
Emphasis/Specialization: Operations Mgmt., Human Resources Mgmt., Financial Mgmt., Information Systems, Food & Beverage Mgmt., Marketing, Properties Mgmt., Entrepreneurship

East Stroudsburg University

Hospitality Management

Albert J. Moranville
Chairperson
Hospitality Management Department
East Stroudsburg University
East Stroudsburg, PA 18301
717/424-3511

Program Enrollment: 300
Degree Awarded: Bachelor of Science
Degree Category: Hospitality Mgmt.

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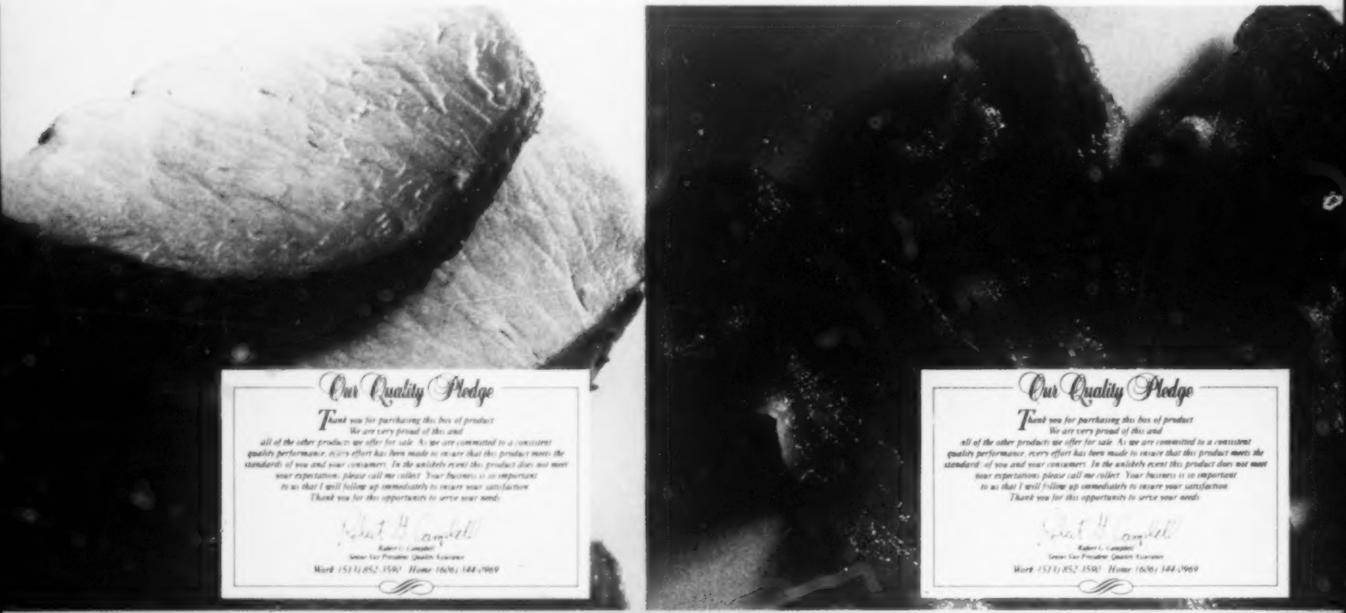

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Florida International University

Hospitality Management, Hotel and Food Service Management

Anthony G. Marshall
Dean
School of Hospitality Management
Florida International University
North Miami Campus
North Miami, FL 33181
305/948-4500

Program Enrollment: 850 undergraduate; 150 graduate
Degrees Awarded: Bachelor of Science, Master of Science
Degree Categories: Bachelor in Hospitality Mgmt., Master in Hotel & Food Service Mgmt.
Emphasis/Specialization: Hotel, Food & Beverage, and Club Mgmt.

Florida State University

Hospitality Administration

Dante M. Laudadio
Chairman
Hospitality Administration
Florida State University
225 William Johnson Bldg.
Tallahassee, FL 32306
904/644-4787

Program Enrollment: 325
Degrees Awarded: Bachelor of Science
Degree Categories: Hospitality Administration

Georgia State University

Cecil B. Day School of Hospitality Administration

David V. Pevesic
Director
Cecil B. Day School of Hospitality Administration
1202 Urban Life Bldg.
College of Public & Urban Affairs
Georgia State University
Atlanta, GA 30303
404/651-3512

Program Enrollment: 300
Degree Awarded: Bachelor of Science
Degree Category: Hospitality Administration
Emphasis/Specialization: Fairs/Tradeshow Mgmt., Club Mgmt., Hotel Mgmt., Restaurant Mgmt.

Golden Gate University

Hotel, Restaurant, Institutional and Tourism Program

N. Earl Austin
Director
Hotel, Restaurant, Institutional and Tourism Programs
College of Business Administration
Golden Gate University
536 Mission St.
San Francisco, CA 94105
415/442-7215

Iowa State University

Hotel, Restaurant, and Institution Management

Dr. Thomas E. Walshy
Department Head
Hotel, Restaurant, and Institution Management
11 MacKay Hall
Iowa State University
Ames, IA 50011
515/294-1730

Program Enrollment: 400
Degrees Awarded: Bachelor of Science, Master of Science, Doctor of Philosophy
Degree Categories: Hotel and Restaurant Mgmt., Foodservice Mgmt.

Johnson & Wales University

Hospitality Program

Caroline Cooper
Department Chair
Xavier Academic Complex
Johnson & Wales University
8 Abbott Park Pl.
Providence, RI 02903
401/456-1475

Program Enrollment: Hospitality Program: 2,600
Degrees Awarded: Bachelor of Science (BS), Master of Science (MS), Master of Business Administration (MBA)
Degree Categories: BS in Hosp. Mgmt., Hotel-Restaurant/Institutional Mgmt., Hosp. Sales & Marketing Mgmt., Food Service Mgmt., Travel-Tourism Mgmt., Travel-Tourism Marketing; MS in Hosp. Admin.; MBA in Intl. Business

Kansas State University

Hotel and Restaurant Management

Pat Pesci
Program Director
Hotel and Restaurant Management
Kansas State University
Manhattan, KS 66506
913/532-5521

Program Enrollment: 300
Degree Awarded: Bachelor of Science
Degree Category: Hotel and Restaurant Mgmt.

Michigan State University

School of Hotel, Restaurant and Institutional Management

Dr. Ronald F. Cichy
Director
School of Hotel, Restaurant and Institutional Management
Michigan State University
424 Eppley Center
East Lansing, MI 48824
517/355-5080

Program Enrollment: 800 undergraduate; 15 graduate
Degrees Awarded: Bachelor of Arts in Business Adminsistration, Master of Business Administration
Degree Categories: Hotel, Restaurant and Institutional Mgmt.

New York City Technical College

Hotel and Restaurant Management

Patricia S. Bartholomew
Chair
Hotel and Restaurant Management Department
New York City Technical College
300 Jay St., Room 220
Brooklyn, NY 11201
718/260-5630

Program Enrollment: 850
Degrees Awarded: Associate in Applied Science, Bachelor of Technology
Degree Categories: Hotel and Restaurant Mgmt.

New York Institute of Technology

Hotel Administration

Francis X. Brown
Dean
School of Hotel/Restaurant Administration and Culinary Arts
New York Institute of Technology
Carleton Ave.
Central Islip, NY 11722
516/348-3290

Program Enrollment: 550
Degree Awarded: Bachelor of Professional Studies
Degree Categories: Hotel Administration

Northern Arizona University

School of Hotel and Restaurant Management

Peter VanKleek
Dean
School of Hotel and Restaurant Management
Northern Arizona University
Box 5638
Flagstaff, AZ 86011

Program Enrollment: 750
Degree Awarded: Bachelor of Science
Degree Categories: Hotel and Restaurant Mgmt.
Emphasis/Specialization: Resort Mgmt., Restaurant Mgmt., Intl. Hosp. Operations

Ohio State University

Hospitality Management

E. Francis Pauze
Program Director
Hospitality Management
Ohio State University
265 Campbell Hall
1787 Neil Ave.
Columbus, OH 43210
614/292-1474

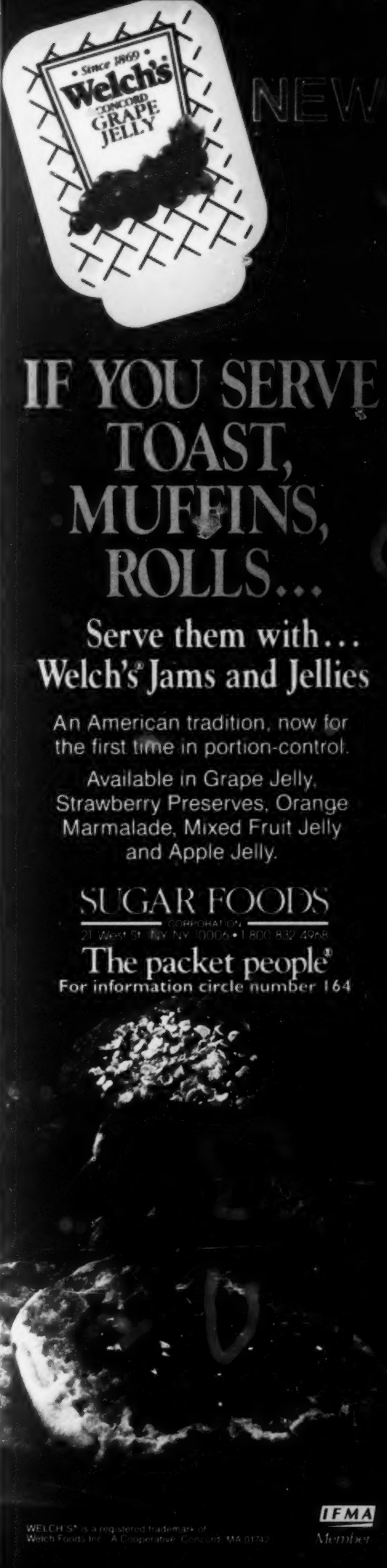
Program Enrollment: 330 undergraduate
Degrees Awarded: Bachelor of Science, Master of Science, Doctor of Philosophy
Degree Categories: Hotel Admin., Food Service Mgmt.

Oklahoma State University

School of Hotel and Restaurant Administration

Jim L. Anderson
Interim Director

continued on page 134



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School of Hotel and Restaurant Administration
Oklahoma State University
210 Home Economics West
Stillwater, OK 74078
405/744-8486

Program Enrollment: 325
Degree Awarded: Bachelor of Science, Master of Science (pending Fall '91)
Degree Categories: Hotel Admin. and Restaurant Mgmt.
Emphasis/Specialization: Business Admin.

Oregon State University

Hotel, Restaurant and Tourism Management

E. Alan Kluge
Program Director
Hotel, Restaurant and Tourism Management
Oregon State University
Bexell Hall 201
Corvallis, OR 97331
503/737-3693

Program Enrollment: 300
Degrees Awarded: Bachelor of Science, Bachelor of Arts
Degree Categories: Hotel, Restaurant and Tourism Mgmt.

Pennsylvania State University

School of Hotel, Restaurant and Institutional Management

Stuart Mann
Acting Director
School of Hotel, Restaurant and Institutional Management
Pennsylvania State University
118 Henderson Bldg.
University Park, PA 16802
814/863-0009

Program Enrollment: 650
Degree Awarded: Bachelor of Science
Degree Category: Hotel, Restaurant and Institutional Mgmt.
Emphasis/Specialization: Restaurant and Food Service Mgmt., Hotel Mgmt., Mgmt. Dietetics, Institutional Mgmt.

Purdue University

Restaurant, Hotel, and Institutional Management

Lee M. Kreul
Department of Restaurant, Hotel and Institutional Management
Purdue University
105 Stone Hall
West Lafayette, IN 47907
317/494-4643

Program Enrollment: 900
Degrees Awarded: Associate in Applied Science, Bachelor of Science, Master of Science, Doctor of Philosophy
Degree Categories: Restaurant, Hotel, and Institutional Mgmt.
Emphasis/Specialization: Hosp. Mgmt., Hotel Mgmt., Restaurant Mgmt., Tourism, Institutional Mgmt.

Rochester Institute of Technology

School of Food, Hotel, and Tourism Management

Dr. Francis M. Domoy
Director
Rochester Institute of Technology
School of Food, Hotel, and Tourism Management
Rochester, NY 14623
716/475-5576

Program Enrollment: 578 undergraduate; 72 graduate
Degrees Awarded: Bachelor of Science, Master of Science
Emphasis/Specialization: Hotel/Resort Mgmt., Food Mgmt., Travel Mgmt., Dietetics

Southwest Missouri State University

Hospitality and Restaurant Administration

Hank Huitt
Director
Hospitality and Restaurant Administration
Southwest Missouri State University
901 S. National
Springfield, MO 65804

Program Enrollment: 350
Degree Awarded: Bachelor of Science
Degree Category: Hospitality and Restaurant Administration

Texas Tech University

Restaurant, Hotel, and Institutional Management

Dr. Lynn Huffman
Director
Restaurant, Hotel, and Institutional Management
Box 4170
Texas Tech University
Lubbock, TX 79409
806/742-3661

Program Enrollment: 700
Degrees Awarded: Bachelor of Science
Degree Category: Restaurant, Hotel and Institutional Management

University of Central Florida

Hospitality Management

Abraham Pizam
Chair
Dept. of Hospitality Management
University of Central Florida
Orlando, FL 32816
407/823-2188

Program Enrollment: 350
Degree Awarded: Bachelor of Science
Emphasis/Specialization: Hotel/Motel Mgmt., Foodservice Mgmt., Tourism Mgmt., Convention and Conferences Mgmt.

University of Denver

School of Hotel and Restaurant Management

H.A. Devine
Director
School of Hotel and Restaurant Management
University of Denver
Denver, CO 80208
303/871-2322

Program Enrollment: 300
Degree Awarded: Bachelor of Science
Degree Categories: Business Administration

University of Houston

Hotel and Restaurant Management

Dr. Joseph J. Cioch
Dean
Conrad N. Hilton College of Hotel and Restaurant Management
University of Houston
Houston, TX 77204

Program Enrollment: 900
Degrees Awarded: Bachelor of Science, Master of Hospitality Administration

University of Massachusetts/Amherst

Department of Hotel, Restaurant, and Travel Administration

Stevenson M. Fletche
Department Head
Department of Hotel, Restaurant, and Travel Administration
University of Massachusetts
Amherst, MA 01002
413/545-2535

Program Enrollment: 652
Degrees Awarded: Bachelor of Science, Master of Science
Degree Categories: Hotel ,and Restaurant Admin., Travel & Tourism

University of Nevada, Las Vegas

William F. Harrah College of Hotel Administration

Dr. David Christianson
Dean
William F. Harrah College of Hotel Administration
University of Nevada, Las Vegas
4505 Maryland Parkway
Las Vegas, NV 89154
702/739-3230

Program Enrollment: 1,550
Degree Awarded: Bachelor of Science
Degree Category: Hotel Administration
Emphasis/Specialization: Accounting, Computers, Clubs, Food & Beverage, Foreign Language, Gaming, Conventions/Trade Shows, Travel & Tourism

University of New Hampshire

Hotel Administration Department

Dr. Joseph Durocher
Department Chair
Department of Hotel Administration
University of New Hampshire
McConnell Hall
Durham, NH 03824
603/862-3387

Program Enrollment: 250

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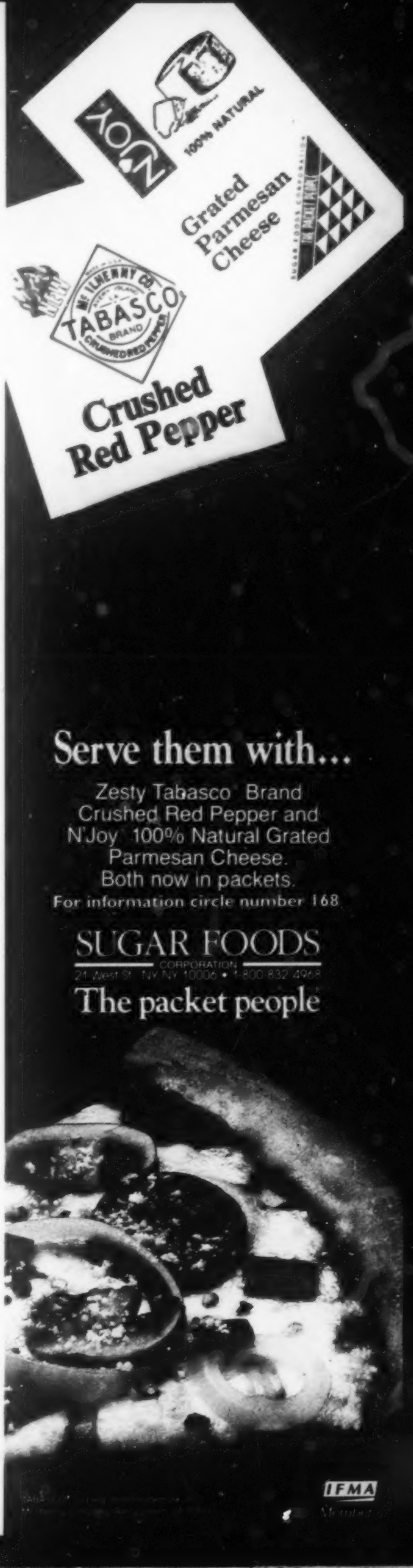

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Degrees Awarded: Bachelor of Science, Master of Business Administration

University of New Haven

Hotel, Restaurant, and Tourism Administration

Warren J. Smith
Dean
School of Hotel, Restaurant, and Tourism Administration
University of New Haven
300 Orange Ave.
West Haven, CT 06516
203/932-7362

Program Enrollment: 350 undergraduate; 30 graduate
Degrees Awarded: Bachelor of Science, Associate in Science, Certificate, Master of Business Administration
Degree Categories: Hotel and Restaurant Mgmt., Tourism & Travel Admin., Dietetics

University of New Orleans

School of Hotel, Restaurant, and Tourism Administration

Dr. Jeffrey D. Schaffer
Director
School of Hotel, Restaurant, and Tourism Administration
College of Business Administration
University of New Orleans
New Orleans, LA 70148
504/286-6385

Program Enrollment: 400
Degree Awarded: Bachelor of Science
Degree Category: Business Administration

University of North Texas

Division of Hotel and Restaurant Management
D. Richard F. Tas
Director
Division of Hotel and Restaurant Management
School of Human Resource Management
University of North Texas
P.O. Box 5428
Denton, TX 76201
817/565-2436

Program Enrollment: 400
Degree Awarded: Bachelor of Science
Degree Category: Hotel and Restaurant Mgmt.

University of South Carolina

Hotel, Restaurant, and Tourism Administration

Dr. Melvin N. Barrington
Chairman
Hotel, Restaurant, and Tourism Administration
University of South Carolina
Columbia, SC 29208
803/777-6665

Program Enrollment: 450
Degree Awarded: Bachelor of Science
Degree Category: Hotel, Restaurant, and Tourism Administration

University of Tennessee, Knoxville

Hotel and Restaurant Administration

Mark McGrath
Director
Hotel and Restaurant Administration
College of Human Ecology
University of Tennessee
Knoxville, TN 37996
615/974-5445

Program Enrollment: 400
Degree Awarded: Bachelor of Science
Emphasis/Specialization: Food Mgmt., Hotel Mgmt.

University of Wisconsin-Stout

Hotel and Restaurant Management

Dr. Donald Diekelman
Program Director
Hotel and Restaurant Management
220 Home Economics
University of Wisconsin-Stout
Menomonie, WI 54751
715/232-1407

Program Enrollment: 1,215
Degree Awarded: Bachelor of Science
Emphasis/Specialization: Minors in Business Admin., Property Mgmt., Tourism, Foodservice Admin., Dietetics

Virginia Polytechnic Institute and State University

Hotel, Restaurant, and Institutional Management

Dr. Michael D. Olsen
Dept. of Hotel, Restaurant and Institutional Management
Virginia Polytechnic Institute and State University
Hillcrest Hall
Blacksburg, VA 24061
703/231-5515

Program Enrollment: 350 undergraduate, 43 graduate
Degree Awarded: Bachelor of Science
Degree Category: Hotel, Restaurant, and Institutional Management

Washington State University

Hotel and Restaurant Administration

Dr. W. Terry Umbreit
Director
Hotel and Restaurant Administration
College of Business and Economics
Washington State University
Pullman, WA 99164
509/335-5766

Program Enrollment: 650
Degree Awarded: Bachelor of Arts
Emphasis/Specialization: Hotel and restaurant industry with emphasis on fast-service segment

Widener University

School of Hotel and Restaurant Management

Nicholas J. Hadgis
Dean
Widener University
School of Hotel and Restaurant Management
14th and Chestnut Streets
Chester, PA 19013
215/499-1101
Program Enrollment: 460
Degree Awarded: Bachelor of Science

SOURCE: A Guide to College Programs in Hospitality and Tourism, 1991-1992, The Council on Hotel, Restaurant and Institutional Education

MARKET SEGMENT REPORT

CHICKEN

The current trend is toward more nonfried products.

By Jacque Kochak

For a long time the chicken segment has been slow, steady, and not very glamorous. People tended to take chicken for granted, like an old friend. Now that old friend has gone out and returned with fashionable clothes, and shown up at the party with new pizzazz—and new friends.

“What people used to know as fried chicken and what they will know in five years may be very different,” says Dick Cromwell of Cajun Joe's, an aggressively expanding chicken chain based in Boston. “People are doing it better, doing it fresher, doing it differently. Gone are the days when all you could get was Kentucky Fried.”

A good deal of the public's renewed interest in fast-food chicken is undoubtedly because of changes at PepsiCo subsidiary Kentucky Fried Chicken, which controls 50% of the $6.4 billion U.S. chicken restaurant category. But some of the excitement has also been generated by the spate of new, vital upstarts with a different idea. Instead of traditional fried chicken, they serve marinated and often skinless chicken in grilled, broiled, and baked incarnations.

“Nonfried chicken is what's happening,” says Jim Fields, vice president of development for Boston Chicken, another Boston organization with aggressive expansion plans.

In nearly every major city, young chains and independents with names like YaYa's or R.D. Clucker's are emerging. Interest in the chicken segment is so intense that John Y. Brown, formerly with Kentucky Fried Chicken, is reputedly drawing up plans for a company called Roaster's.

DRAMATIC TURNAROUND. So what's going on? It's old news that chicken consumption has risen as beef consumption has declined, but the new twist is that both traffic counts and customer orders at chicken restaurants have shown a dramatic turnaround in the last two years.

Just two years ago, in 1989, CREST data published by Park Ridge, IL-based GDR/Crest, a consulting firm that tracks consumption patterns, showed that traffic in chicken fast-food opera-

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Grandy's Southwestern Grilled Chicken is served as a sandwich or as part of a dinner platter with a roll and vegetables.

MARKET SEGMENT REPORT

CHICKEN

rants was down by 4% from the previous year. By 1990, that number had reversed itself, with traffic increasing 5.4% from 1989.

Chicken orders also increased. Chicken orders at chicken fast feeders were down 1.4% in 1989, then up 5.1% in 1990. At the same time, chicken orders in midscale and upscale restaurants continued to increase at a steady pace, as during the last several years.

With 5,000 restaurants and $3.2 billion in domestic sales, Louisville, KY-based Kentucky Fried Chicken has practically defined the segment for many years. Now, pressured by changing consumer demands, the lumbering giant is trying to slowly alter its course.

The company is in the process of rolling out its new Lite 'n Crispy chicken, which is still fried but without the fat-rich skin. The chicken contains 20% less fat than KFC's original recipe.

The goal is to move KFC from its positioning as a place to get fried chicken to a place to get chicken, period. That chicken might be fried, or it might be broiled or served in chicken salad. Part of the strategy is to move gradually away from the name Kentucky Fried Chicken and use only the initials KFC.

Whether the strategy will be successful remains to be seen. Any repositioning can be risky, but KFC is a healthy company with an already-strong customer base.

Competitors are now aiming at a specific niche. "Our customers are middle to upper-middle class women 25 to 45 years old. That's not KFC's market," notes Steven Wasserman, an executive officer with Woodbury, NY-based Pudgie's, which pioneered the sale of skinless chicken in 1981. "Skinless chicken isn't a magic equation. We know this is good for our market, but I'd hate to have to educate a whole new group of customers."

KFC's national rollout of Lite 'n Crispy began in February, and is expected to be completed by the end of the summer, says Richard Detwiler, KFC's director of public affairs.

In June, however, the rollout was temporarily halted as the company mulled over changes in the Lite 'n Crispy product. Detwiler attributed the halt to "fine-tuning," and said plans to have the chicken in all stores by the end of summer were still in effect.

One KFC franchisee says that the company had been using a frozen product and was investigating the use of fresh chicken because of competition.

At any rate, the new product introduction has been favorably received by franchisees, and customers seem to like the taste. "It's tough to measure this early, but as far as we can tell we're seeing people who haven't visited KFC recently," says Detwiler. "We're aiming Lite 'n Crispy at people who love chicken, but who haven't been to KFC in a while because of dietary concerns. But we don't market Lite 'n Crispy as a health food or a diet food; it is marketed as great-tasting fried chicken without the skin."

In test markets, KFC saw sales

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Boston Chicken specializes in rotisserie chicken with a variety of side dishes.

MARKET
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REPORT

CHICKEN

increases of 5% to 20% when Lite 'n Crispy was introduced, and those increases seem to be carried through during the roll-out, says Detwiler.

The introduction of Lite 'n Crispy chicken is only one of several new items on the KFC menu. Also new are a wide variety of snackable products, such as Hot Wings, Honey Barbecue Wings, and small chicken sandwiches.

PepsiCo bought KFC from RJR Nabisco Inc. in late 1986, and the Purchase, NY-based conglomerate has a reputation for prodding sleepy foodservice giants. PepsiCo rejuvenated Pizza Hut, another somnolent giant, and now the focus is on KFC.

KFC needed the stimulus. In the U.S., high chicken costs and tough competition squeezed KFC's sales and margins, and in 1989 domestic sales grew only 4.4%, while profits dropped.

By the fourth quarter of 1990, the company posted a worldwide earnings gain of 22% to $34.3 million, and sales advanced 14% to $478.5 million. This performance was driven by a 37% increase in domestic profits.

Besides rolling out new products, KFC has been cutting prices on its take-out boxes and buckets, imitating the successful low-price strategies adopted by sister companies Pizza Hut and Taco Bell.

CONSTERNATION. Such discounting is causing some consternation among competitors. "KFC has made everybody rethink chicken prices," notes [illegible] Palumbo, vice president of marketing for Lewisville, TX-based Grandy's. "They're making money because of volume, but it's hard to tell if other companies can compete."

In fact, the frenzy of discounting among all the fast-food chains has operators worried. "People are doing lots of business, but they can't make money," says one KFC franchisee. "Everybody's giving the stuff away."

Home delivery seems to be a potentially lucrative business for KFC. Some 100 units are now testing home delivery. Detwiler says the test looks promising because chicken is a product that retains heat very well and is prepared in bulk, so an order can be filled as soon as it comes in.

Virtually all of Chick-fil-A's units are located in malls.

In addition, KFC offers the option of a full meal, with such side dishes as mashed potatoes and cole slaw. "You can't get that from Domino's or Pizza Hut," Detwiler notes.

MORE SPINACH NEEDED. The other major force in the chicken segment is Jefferson, LA-based Al Copeland Enterprises, which operates Popeye's Fried Chicken and Church's Fried Chicken. Al Copeland Enterprises is now embroiled in bankruptcy proceedings, after Popeye's acquired Church's in 1989. In mid-April, the company's lenders demanded accumulated debt of approximately $391 million that was taken on at the time of the acquisition.

Segment leader

KFC owns 50% of the market.

According to those familiar with the company, units are operating as usual and the average customer is not aware of the financial hurly-burly. Speculation abounds that the banks will bring in new management, and that the two chains will be unbundled, with one sold to raise capital. Then both chains will be competitive again.

"As long as they're in a state of turmoil, that's delightful," says one competitor. "They have a very good product, and they will be back."

As of December 1990, Popeye's was operating 786 restaurants with per store averages of $714,700 and systemwide sales of $514 million, according to spokeswoman Susan Hennessey.

Church's introduced the foot-long chicken sandwich, the country-style pork chop, and glazed apple pie. The company continued with the advertising theme "Big Pieces, Little Pieces," and supported its promotions by direct mail, radio, and television.

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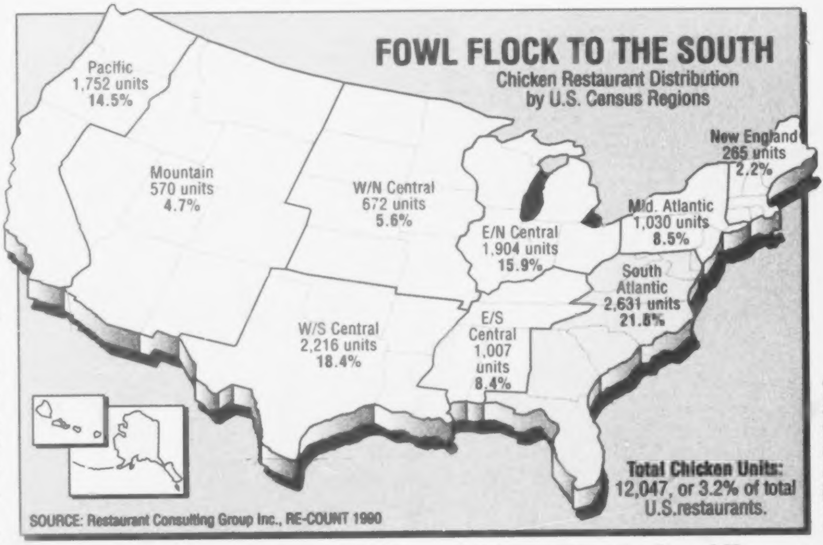
MARKET SEGMENT REPORT

CHICKEN



FOWL FLOCK TO THE SOUTH

Chicken Restaurant Distribution by U.S. Census Regions

Total Chicken Units: 12,047, or 3.2% of total U.S.restaurants.

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

CHARTS BY SHARI FANG

At Popeye's, seasonal seafood promotions such as butterfly shrimp, a shrimp platter, and a shrimp po' boy continued through the spring in most markets. Conversion of units to a new '50s-style diner look continued, with a hot pink and turquoise color scheme, chrome and glass-block accents, and "Popeye's Chicken & Seafood" signage.

Also new for Popeye's is a relocatable building, dubbed Popeye's Express, which is totally portable and all-electric, and designed for remote or smaller markets.

SECOND TIER. Below KFC, Popeye's, and Church's, there is an enormous drop-off in terms of units and sales. Several medium-sized regional chains exist, such as Lee's Famous Recipe Chicken, Grandy's, Mrs. Winner's, Brown's Fried Chicken, and Bojangles.

One of the largest regional chains is Atlanta-based Chick-fil-A, which posted record sales of $293.7 million for 1990. That was an 11.3% increase over the chain's 1989 sales, and marked 23 consecutive years of sales growth for the company since it was founded. In fact, the company has experienced only two years of less than double-digit growth.

Chicken restaurant sales totaled $6.4 billion.

Chick-fil-A operates 445 restaurants in 31 states, with most units located in shopping malls.

Unlike the larger chicken chains, Chick-fil-A specializes in a boneless breast of chicken sandwich, a marinated, chargrilled chicken sandwich, and chicken nuggets. Also available are a barbecued chicken sandwich, a chicken salad sandwich, and chicken soup.

One of the newest menu items is a chargrilled chicken garden salad. Side dishes include tossed salad, carrot and raisin salad, cole slaw, potato salad and waffle potato fries. Desserts include lemon pie, brownies and cheesecake.

In recent years the company has been developing free-standing units in mature markets. The investment is two to three times higher than for mall units, notes the company's executive vice president for operations Dan Cathy. But free-standing units also generate twice the sales, he says. "This is a major growth vehicle for us."

Chick-fil-A is also focusing attention on its Dwarf House concept, a full-service restaurant that offers hamburgers, rib-eye steaks and full breakfast service in addition to a chicken menu. The first Dwarf House, opened in 1946 by Truett Cathy, actually preceded Chick-fil-A. The tiny restaurant, with only six tables, gave birth to quick-service Chick-fil-A in 1967, and the youngster grew quickly.

Now, the Cathy family is experimenting with the Dwarf House, with four opened in the last few years and two more opening in 1991. One of those units is doing $3 million in annual volume, Cathy says. The Dwarf House is, however, very capital-intensive and requires a much larger investment than a Chick-fil-A. The menu is more complex, and restaurants offer take-out and drive-thru service in addition to dine-in.

"We're growing the Dwarf House at a very careful, controlled rate," says Cathy. "We'll open just a few a year. The units give us a lot of stability."

COMFORTABLE NICHE. Lee's Famous Recipe Chicken, based in Nashville, TN, is a subsidiary of Shoney's Inc. The chain is typical in that the company has found a comfortable niche and doesn't go head-to-head with its larger chicken competitors.

The company's 278 restaurants in 20 states serve a variety of chicken products as well as country-fried steak, chicken livers, a barbecued chicken sandwich, and biscuits made from scratch, along with nine vegetables and salads.

Hot 'n spicy chicken wings and chicken tenders were successfully introduced in late 1990. Lee's recently launched a skinless chicken product.

Lee's has been updating its image with a farmhouse design, with increased seating capacity and space for labor efficiencies in kitchen and counter areas. The company is showing impressive same-store sales growth; average unit sales of company-owned units have continued to increase, from $442,000 in

continued on page 156

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IDAHO POTATOES

MARKET SEGMENT REPORT

CHICKEN

Specializing in chicken, Zehnder's has annual sales of $12.6 million.

1983 to $603,000 in 1990.

Lee's 1991 plans called for opening an additional 17 units in 1991, with 15 of those franchised.

In August 1990, Charlotte, NC-based Bojangles was purchased from Horn & Hardart by Dick Campbell, formerly vice president and general manager for a 650-unit division of KFC. His investment partners are Interwest Partners of Palo Alto, CA, and Sienna Holdings of Los Angeles.

The past year has been spent fine tuning operations and sprucing up units, with over $1 million spent on remodeling so far, says Campbell. Results are already apparent. Unit volumes that were averaging $810,000 have soared to $1 million, with individual units showing sales increases of 20% to 30% over last year.

Health concerns are driving menu changes.

Bojangles introduced skinless fried chicken in early March with "spectacular" results. The skinless chicken uses the same marinade and breading as its spicy Cajun product. The company also introduced Chicken Supremes, a finger food made from chicken breast, marinated and breaded. The new product already accounts for 8% of sales. A Rajun Cajun sandwich and salads are under development. A value menu, with seven biscuit sandwiches at 98¢ each, has been introduced at breakfast.

Plans call for building 100 new units in the next five years, mostly within 150 miles of headquarters. The company now operates 154 units with systemwide sales for fiscal 1991 estimated at $130 million.

Irvine, CA-based El Pollo Loco, a division of Denny's Inc., is different from the larger chicken chains because its marinated chicken is flame-broiled, not fried. The 215-unit chain, with units primarily on the West Coast, has been positioned as a healthy alternative since its founding some 10 years ago.

MEXICAN STYLE. El Pollo Loco's chicken [illegible] Mexican-style; it is marinated for 24 hours in fruit juice, charbroiled, and cut to order in the customer's view. The chicken is served with a tomato salsa and a choice of flour or corn tortillas. Additional side dishes include Spanish rice, pinto beans, and cole slaw.

El Pollo Loco has introduced tacos and burritos, made with the same chicken served in stores, says Norm McKinnon, the company's director of marketing. The two new products are portable, and McKinnon says the drive-thru sales have increased considerably as a result of the introductions.

Also new is "The Really Big Thing,"

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MARKET SEGMENT REPORT

CHICKEN

a picnic in a bag for six to 12 people. Up to 24 pieces of chicken are accompanied by tortillas, salsa, three to six side dishes, plates, and service ware.

El Pollo Loco, with an average unit volume of $900,000 and systemwide sales of some $180 million, expanded rapidly during the 1980s, but that pace will slow as the company focuses on strengthening operations and maintaining consistency.

Grandy's Country Cookin', with 104 units and 1991 systemwide sales of $180 million, is differentiating itself even more from other fast-food chicken operators by putting emphasis on service, including in the dining room.

Grandy's point of difference from its competitors is that some 65% of business is dine-in, unlike most chicken operations that emphasize take-out. The company has added labor hours and beefed up its force of "Grannies," dining-room hostesses who serve free drink refills and complimentary dinner rolls.

In addition to chicken, Grandy's serves homemade cinnamon rolls, chicken-fried steak, salads, and breakfast. The company has switched to all-vegetable oil for frying, and has introduced Southwestern grilled chicken dinners and sandwiches as a nonfried alternative. The grilled chicken represents anywhere from 10% to 12% of sales in markets where introduced, and at least half of that is incremental, says Palumbo.

Grandy's has also rolled out chicken-fried chicken, a battered, boneless breast fillet served with gravy and mashed potatoes.

In the company's flagship Ft. Worth market, 42 company-owned units have been remodeled with new red and green neon signage. Interiors have been redesigned with a more contemporary country decor.

THE NEW CONTENDERS. Several young, vigorous chains have been gaining a lot of attention lately. Perhaps the most aggressive expansion plans in the chicken segment today are being touted by Boston Chicken, which specializes in a rotisserie-broiled chicken served with mashed potatoes and fresh vegetables.

The first Boston Chicken unit opened in 1985 in a 900-sq.-ft. Newton, MA, storefront. Two entrepreneurs, Arthur Cores and Kip Kolow, knew little about market research or the latest trends. They just decided to serve simple, homestyle food and hope for the best.

As luck would have it, former KFC franchisee George Naddaff stopped by Boston Chicken to pick up some food at his wife's request. His curiosity was piqued by the line of eager customers. He loved the chicken, and his wife was happy because she had "guilt-free" fast food for the kids. So, after a number of visits, he approached the owners and suggested that he build Boston Chicken into a national company.

Naddaff's experience in owning and operating 28 KFCs, coupled with other successful franchising business ventures gave him credibility. His offer was accepted.

The first step was to open two company stores, one in Cambridge and one in Brookline, MA. There, recipes were fine-tuned and standardized and training manuals were written. Then Naddaff hired Charlie Cocotas, formerly president of Church's Fried Chicken and International Dairy Queen's Golden Skillet Fried Chicken, who further refined operations.

TOP CHICKEN CHAINS

	U.S. System Sales	U.S. System Units
KFC	**$3.2 bil.***	**5,000**
Popeyes	**$547 mil.**	**786**
Church's	**$514 mil.**	**1,163**
Chick-fil-A	**$294 mil.**	**445**
El Pollo Loco	**$180 mil.**	**215**
Grandy's	**$180 mil.**	**104**
Lee's Famous Recipe	**$144 mil.**	**278**

*Estimate

Fast-food chicken orders were up 5.1% in 1990.

Also brought on board as senior vice president was Ralph Guerino, formerly president of the Papa Gino's chicken chain. Bob Wollaston, former executive vice president of Al Copeland Enterprises and management director and CEO of KFC in Great Britain, came on as a senior vice president and general manager of the southeast region.

AMBITIOUS PLANS. The result has been impressive growth. A year ago Boston Chicken operated only four units; today, that total has reached 26. Managment has ambitious plans for the future.

"Obviously, this was not an organization built to run, operate and oversee the number of units we have now," notes Fields. At press time, another four units were under construction, eight were scheduled to begin construction, and financial and contractual agreements were finalized for an additional 90 franchises.

"We expect to have a total of 197 corporate stores and 660 franchised stores by the end of 1996," says Fields.

Total cost for a franchisee to open a Boston Chicken is $325,000 to $350,000. Most are storefront operations of 2,000 to 2,500 sq. ft., which open faster than free-standing stores. Franchised stores are averaging over $859,000 on an annualized basis, says Fields.

The stores seat from 40 to 65. Delivery is being tested.

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MARKET SEGMENT REPORT

CHICKEN

Prices are low; the customer can purchase a quarter chicken with any two side dishes and corn bread for as low as $3.95 for a leg and a thigh. A half chicken with side dishes is $5.25.

The attraction is chicken marinated for 24 hours, then slow roasted on a vertical rotisserie. If the chicken is not sold in one hour, it is set aside, boned, and used in pot pies and chicken salads. Accompaniments range from mashed potatoes to butternut squash with brown sugar and zucchini sauté.

RAGIN' CAJUN. Also very aggressive is another Boston-based chain, Cajun Joe's. The chain has joined forces with Milford, CT-based Subway Sandwich Shops to take the company nationwide.

The first Cajun Joe's opened in 1985, and 150 units are now open in 31 states. Plans call for operating 250 units by the end of the year, with emphasis on filling in markets where Cajun Joe's is already located in order to build name awareness.

Fast-food chicken traffic counts increased 5.4%.

Cajun Joe's offers a spicy fried chicken as well as a roasted chicken, chicken tenders, corn muffins, biscuits, rice and gumbo. Prices are low, with individual pieces selling for less than $1, and a lunchbox with two pieces of chicken, a side order, and a muffin for around $3.

Woodbury, NY-based Pudgie's claims to have pioneered skinless fried chicken.

Like Subway, the majority of Cajun Joe's operate in small, 1,000- to 1,500-sq.-ft. locations in strip centers. Also like Subway, the cost to open a unit is a modest $100,000.

According to Dick Cromwell, Cajun Joe's co-president, unit volumes vary greatly. "We have a lot of stores open a very short amount of time, and some are doing better than others," he says. "At this point, our name awareness is very small."

Also on the East Coast is Pudgie's, which was founded in 1981 by George Sanders. In 1989 Sanders began franchising, and now 85 units operate from Florida to Connecticut. "We're looking to fill up the United States," says executive officer Steven Wasserman, who left his job as a franchising attorney representing Pudgie's to join the company. "But we're trying to grow at an even keel," he adds. "We have no debt, we're privately held, we don't borrow, and we live on our royalties. There's no financial pressure to expand unwisely."

At this point, Wasserman says, Pudgie's favors owner/operator franchisees, not area developers.

At $11, Pudgie's has a higher average check than many chicken restaurants, and a diverse menu that includes rice, corn, boiled ribs, a chicken sandwich, mushrooms, onion rings, mozzarella strips, shrimp, and clams, in addition to fried and baked skinless chicken. Everything is cooked to order.

Stores usually go into strip centers, requiring only about 1,200 sq. ft. Some 40% of sales come from delivery, and another 40% from take-out. "This is a very efficient operation geared for the '90s," says Wasserman. "Franchisees can get in for $170,000, and some stores gross a million dollars a year."

On the West Coast, the young Koo Koo Roo organization is drawing attention. Eleven units are now open, seven

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MARKET SEGMENT REPORT

CHICKEN

of them company-owned. Four more units are about to open, the biggest in the Taj Mahal in Atlantic City.

Seven of the units are in Southern California, one in Las Vegas, two in South Florida and one in New York City.

IT WON'T KILL YOU. Koo Koo Roo's attraction is "fast food that's not going to kill you," says Russell Ruscigno, vice president of the Los Angeles-based chain. "The baby boomers are maturing, but they're hooked on the convenience and price point of fast food."

Koo Koo Roo's founder, Mike Badalian, is a veteran of white tablecloth restaurants, and he spent six years planning a full-service restaurant in a fast-food setting, says Ruscigno. The result is a menu featuring skinless, flame-broiled chicken that is marinated in vegetable juices and spices. Side dishes include cucumber salad and Middle Eastern flat bread.

All units are located in strip centers and storefronts and seat about 50 people. Typically, however, 65% of sales are to go, says Ruscigno. Price range is $4 to $17 for a 12-piece combo, and average check is $6.50.

Koo Koo Roo stores don't have freezers or microwaves because everything is prepared fresh. "Our biggest concern was figuring out how to do this kind of menu with minimum-wage employees. But we have found that because employees are actually creating a product they are very enthusiastic," says Ruscigno. "We have very little turnover."

Marinated, grilled chicken is now a major subsegment.

Management is ambitious about expanding the Koo Koo Roo concept. "We hope to have a total of about 30 units by the end of this year," says Ruscigno. "By next year? The world!"

FARE
NEW!
Lite'n CRISPY
IT'S SKINFREE

Lite 'n Crispy is KFC's new skinless fried chicken product.

TRADITON. Despite all the interest in new ways to serve chicken, there's still a giant market for traditional country fried chicken. Witness the success of Zehnder's in Frankenmuth, MI, a town of about 4,000 located about 20 minutes from Saginaw. The restaurant is operated by Eddie and Marian Zehnder and is located in a circa-1856 hotel.

The restaurant seats 1,300 in 10 dining rooms, uses about 350,000 chickens a year, and serves a million customers annually. Zehnder's annual sales of $12.6 million make it the seventh largest independent restaurant in the country.

That is amazing enough, but consider this: Right across the street is the Frankenmuth Bavarian Inn, run by another Zehnder, serving the identical menu, and ranked as the ninth largest independent restaurant.

The two restaurants draw customers from Ohio, Indiana, and Illinois to the area known as "Michigan's Little Bavaria," and are considered to be a major tourist attraction.

The menu, served family style, features homemade noodle soup, cabbage salad, cheese spread with garlic toast, chicken liver pâté, white bread and raisin and fruit bread, fruit preserves, cottage cheese, seasonal relishes, fried chicken, dressing, mashed potatoes, gravy, garden vegetables, and ice cream or sherbet. The all-you-can-eat dinner is only $11.50 per person.

Although at Zehnder's fried chicken is king, the family is not unaware of growing concerns about healthy eating. Only soybean oil is used for frying the large, parboiled chickens.

All in all, the chicken segment seems to be quite vital, with new ideas aplenty. The public's nutritional concerns will continue to fuel interest in chicken.

"Issues of nutrition and health are certainly not a fad," says Chick-fil-A's Cathy. "The concerns are very real, and not just for Yuppies. Older people are concerned, too." **RB**

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SEPTEMBER 1, 1991
A BILL PUBLICATION

RB
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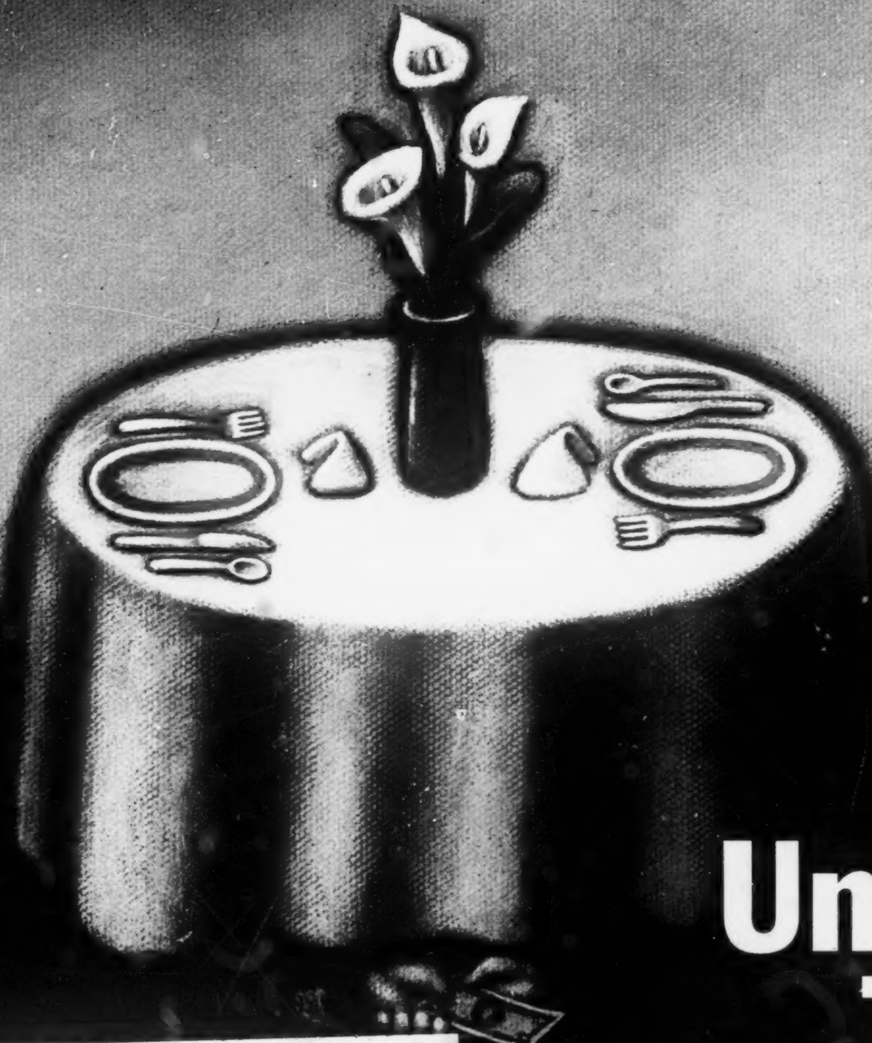

OPERATING

Under The Table

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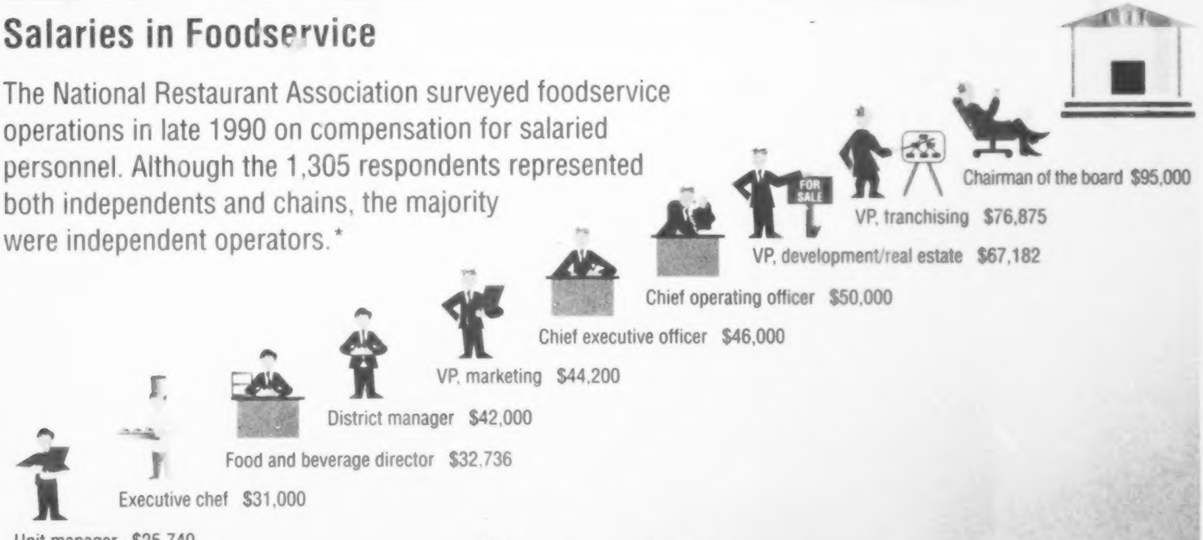
THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

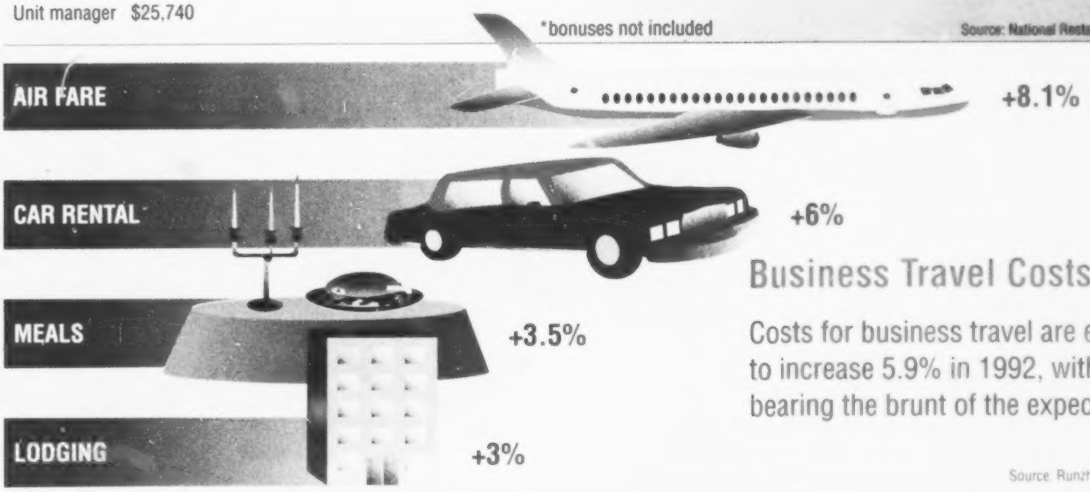
Salaries in Foodservice

The National Restaurant Association surveyed foodservice operations in late 1990 on compensation for salaried personnel. Although the 1,305 respondents represented both independents and chains, the majority were independent operators.*



*bonuses not included

Source: National Restaurant Association



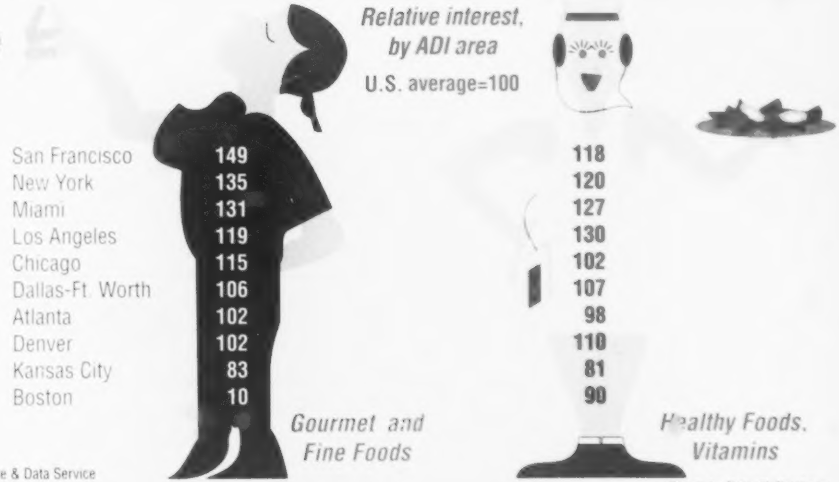
Business Travel Costs

Costs for business travel are expected to increase 5.9% in 1992, with air fares bearing the brunt of the expected jump.

Source: Runzheimer International

Where the Foodies Live

Regional and local variations exist in lifestyles, ethnicity, and other "psychographic" factors that can influence the acceptance of a product or service, marketers believe. Data here gauges interest in gourmet and health foods.



Source: Marketsense, The Lifestyle Market Analyst, Standard Rate & Data Service

Charts by Peter K. Niceberg

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COVER STORY

OPERATING UNDER THE TABLE. Keeping two sets of books, under-reporting income, paying people without the benefit of traceable checks. These ways to subvert the paper trail and other questionable operating methods are examined in this report on the underground economy. Can you run a profitable restaurant in 1991 and still be a good citizen? **133**

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Cover illustration by Jere Smith

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INDUSTRY REPORTS AVAILABLE

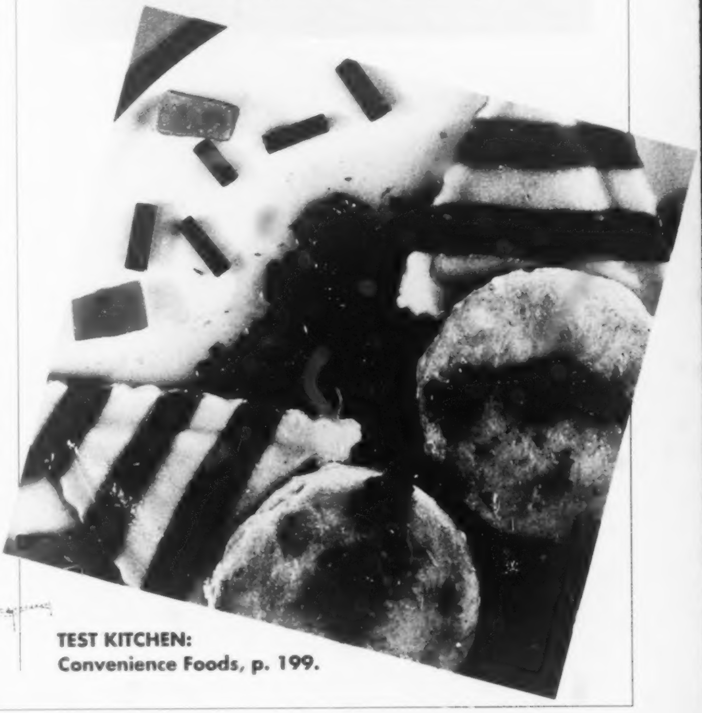
Reprints of the **1991 RESTAURANT GROWTH INDEX** and **1991 MAJOR FORCES IN FRANCHISING** are available for $7 per copy. Direct inquiries to Editor Scott Allmendinger, *RB*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

COVER STORY 24th ANNUAL RESTAURANT GROWTH INDEX. For almost a quarter of a century, *RB's* annual Restaurant Growth Index (RGI) has served as the barometer of industry activity. Indeed, the RGI comprises the foodservice industry's most comprehensive tool for evaluating segment and geographic potential. As in past years, *RB* presents the RGI in two parts. Part I includes exclusive trend studies of the eight major market segments. Part II, the Metro and ADI Report, encompasses sales and demographic profiles.

SPECIAL REPORT THE IMPACT OF IMMIGRATION. With the recent crackdown on illegal aliens and tougher immigration laws on the books, the pool of available workers is shrinking. With this report, *RB* provides an update on current legislation and a roundup of states and operators who have been hardest hit.

DRAFTS, CARAFES SPARKLING WINES THAT SELL. Operators can put a pop in their profits by promoting sparkling wines of all sorts. Champagne is the standard special-occasion drink, but bubbly libations from all countries can serve as a lower cost alternative, without sacrificing quality.



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Convenience Foods, p. 199.

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Disabilities Act: Experts Advise Industry "Be Prepared"

Restaurateurs will need to follow the scout motto, "be prepared," as the enactment deadlines for the Americans with Disabilities Act (ADA) approaches.

"It's an overwhelming piece of legislation with a vague set of regulations," says Elaine Graham, director of federal relations for the National Restaurant Association (NRA). "We won't really know how it will affect restaurateurs until a problem arises," she adds.

The first deadline, for public accommodations, is January 26, 1992. That means restaurateurs must have made major alterations to any existing facility to make it readily accessible to individuals with disabilities.

However, there is some breathing room since the ADA states that removing physical barriers to ensure accessibility must be "readily achievable and should not cause undue burden."

"Cost, of course, is a major consideration. I encourage restaurant operators to be creative. Instead of removing carpet, they can install runners over carpet to make it more accessible for wheelchairs," advises Sandra Wall, who specializes in franchising and corporate law for the national law firm Rudnick & Wolfe.

Wall also suggests that employers figure out where barriers may exist.

ADA's public accommodations requirements concerning new construction will go into effect after January 26, 1993. Many observers say this requirement may redefine some businesses, such as kiosks. "The reason these operations are profitable is because they are small and are therefore cheap. But because of their smallness, they aren't always accessible to wheelchairs," says Wall.

The ADA also prohibits discrimination for the employment of the disabled. This part of the legislation is probably going to make establishments particularly vulnerable to lawsuits, according to Mark L. Shapiro, who is also a partner at Rudnick & Wolfe.

Deadlines for ADA's provisions are July 26, 1992 for establishments with 25 or more employees and July 26, 1994 for establishments with 15 or more employees. That includes both full- and part-time workers.

"The language of the ADA concerning employment is broad and is causing a lot of confusion," says Shapiro. It won't be until a number of cases are processed through the courts that the requirements will be narrowed and refined, he adds.–**Lori Borker**

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ON THE ROAD. Some 35 Shoney's trucks took to the roads this summer sporting new breakfast ads on their panels.

Holy Cow! Steakhouse Bovines Beheaded

Where's the beef? That's what Braintree, MA's Hilltop Steakhouse owners wanted to know when they arrived one Sunday morning in July to find their prized herd of fiberglass cattle beheaded. As a prank, four local youths had sawed off the heifers' heads, and by afternoon all of Boston seemed to be looking for them.

As journalists took to the cause, one head surfaced at the *Boston Herald*, and another one was turned in to a local radio station. "The disc jockey really milked this one," says Hilltop vice president Gerard Gillis. The cattle rustlers must have been mooved, too, since they contacted him to negotiate amnesty.

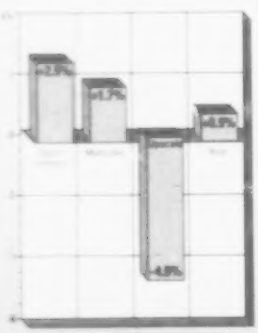
The 400-seat Braintree Hilltop opened in March. The original restaurant is in Saugus, MA. "The herd had become a kind of local landmark," says Gillis, "so we had the cows made for our new operation, too."

The incident wasn't the first time Hilltop's sacred cows were tampered with. About 12 years ago, some Massachusetts Institute of Technology students removed one whole cow and hoisted it up on a campus building. "Since then, we had them cemented into the ground," said Gillis.

Thankful to have his heads back, Gillis is worried that the herd might still turn into a bunch of bum steers. "Do you know how hard it is to put fiberglass together again?" he asks. "They might never be the same."–**Diane Kochilas**

A police officer tries on a retrieved head for size.

Restaurant Expenditures, Spring Quarter



Consumer spending in restaurants remained flat in the spring quarter, 1991. The upscale segment was especially hard hit.

SOURCE: NPD Research, CREST Service

Trendy Ethnic Hits Cincinnati

Cincinnati is said to be a conservative meat and potatoes town. But you can't prove it by some of the new casual, ethnic restaurants that have opened recently.

Operators are enlivening the oft-maligned Cincinnati market with culinary styles as diverse as Tex-Mex, Brazilian-Caribbean, Jewish-Italian, and even ancient-Roman cuisine.

Many of the new restaurants are opening in city neighborhoods as well as the suburbs, bypassing Cincinnati's restaurant-crowded Ohio River waterfront.

Chef Elliot Jablonsky, for one, has found a receptive audience in north suburban Madeira for Cactus Pear, a contemporary Tex-Mex restaurant. "We're seeing tons of repeat customers, which is encouraging," says Jablonsky. The 160-seat restaurant has a $17 check average and averages 1,200 covers per week.

In addition, Jablonsky recently teamed with chef Tim Brater to open Cable House Italian Grill in a warehouse neighborhood near downtown Cincinnati that is undergoing renovation. The menu highlights grilled items such as breast of chicken with artichokes; [illegible] tenderloin with peppers and gorgonzola; and pork chops with figs. It also offers "an Italian sushi bar," says Brater, that has antipasto items such as roasted peppers, grilled eggplant, fresh mozzarella, marinated artichokes, and salami.

Carl Bruggemeier (above), chef/owner of Ciao Baby Cucina, is in the vanguard of Cincinnati's restaurant renaissance.

Too noisy? The Lighthouse Cafe doesn't agree.

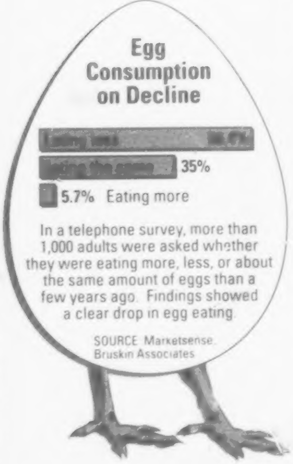
Meanwhile, veteran Cincinnati restaurateur Carl Bruggemeier opened Ciao Baby Cucina earlier this year in the north suburban town of Montgomery. He expects the Italian trattoria will hit $1.6 million in first-year gross sales, exceeding his original projections of $1 million.

Undoubtedly the most unusual item at Ciao Baby is *costolette di maiale cavallo* Trojan, or pork chop Trojan Horse, developed after researching the millennia-old cooking of the Roman Empire. It is a double-cut chop stuffed with quail, smoked oysters, and prosciutto and braised in white Port with porcini and morels.

"When a Roman Senator was honored, the cooks would roast a suckling pig stuffed with oysters and live quail, hence the name Trojan Horse," says Bruggemeier. "At Ciao Baby, we do it with a 1991 twist."

Next door to Ciao Baby, Bruggemeier plans to open Vito Goldberg & Sons, a gourmet take-out market that combines Italian and Kosher-style deli. "It will be run by a nice Jewish guy who has an Italian mother," he says.

Other additions to Cincinnati's ethnic scene over the past year include Prima Vista, an elegant Italian dining spot featuring panoramic views of downtown and the riverfront; Archipelago, serving Japanese, Thai, and Malaysian dishes; and Pigalls Cafe, formerly a continental restaurant which was downscaled into a moderately-priced country French bistro.**–Michael Brown**



Egg Consumption on Decline

In a telephone survey, more than 1,000 adults were asked whether they were eating more, less, or about the same amount of eggs than a few years ago. Findings showed a clear drop in egg eating.

SOURCE Marketsense, Bruskin Associates

CHART BY SHARI FANG

Food Courts: Sales Plunge

Food courts were the darling of the foodservice industry last year. That was when the annual Food Court Survey by the CarlsonReport showed a 24% increase in U.S. food-court sales in 1989. But no more.

The 1991 Food Court Survey shows overall food-court sales declined 4.5% in 1990. Adjusted for inflation, that's a 9.4% drop.

Still, some food categories fared better than others. Oriental, for example, posted sales increases of 33.4% while Mexican showed a 19% gain.

Biggest sales losers were hot dogs (down 27.8%), chicken (down 22.7%), barbecue (down 19.9%), and ice cream (down 18.9%).**–Marilyn Alva**

When the Music Stops

The 40-year-old Lighthouse Cafe in Hermosa Beach, CA, is fighting for its life.

Owner Paul Hennessey contends he may be forced to close the well-known jazz club because of new zoning rules imposed by the city council that restrict its hours of operation.

The restrictions were made because of local-resident complaints about noise levels.

"We're good citizens, and we do a lot of fund-raisers here for local charities," says Hennessey, who also owns and operates eight Hennessey's Pubs. He says he is pursuing legal action to lift the ban.

–Kevin Farrell

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MARKET SEGMENT REPORT

BAKERY

1990 U.S. bakery sales reached $50.9 billion.

By Carol Casper

The bakery segment today provides a study in contrasting trends. On one hand, many struggling retail bakeries find they must expand beyond traditional baked goods into new lines and services, like deli and catering, in order to survive. Some specialty concepts, too, feel pressed to broaden their offerings to meet rising rents and competition.

On the other hand, some of the strongest sales last year were posted by highly specialized, one-item purveyors of cookies, buns, or other snack products.

Another confusing picture arises as one looks at the healthy food trend. Consumers are demanding healthier, more nutritious, lower-calorie, and lower-fat foods. In response, retail bakeries, restaurants, and manufacturers are developing an array of alternatives. Some of these products have done well at the supermarket. Yet, many bakeries and restaurants report that when they offer lighter, healthier choices, they don't sell.

THE SPLURGE FACTOR. "People are more careful at home but when they eat out, even casually, they don't watch as much," observes Glenn Powell, director of food development for Atlanta's Peasant Restaurants. "Or they may be careful with their entree, choosing a light fish or chicken dish, but then they splurge. If they're going to eat dessert, they don't want a bowl of strawberries. They want something gooey and rich—and they eat the whole thing, too."

Yet again, "light, healthy, natural" menus emphasizing salads and sandwiches on whole-grain breads are spelling success for some bakery/cafes.

One thing that seems clear throughout this variegated picture is that baked goods of all kinds are in the spotlight. The "renaissance in baking" hailed last year by Edward Bradley, baking and pastry instructor at the Culinary Institute of America, Hyde Park, NY, marches on.

Total U.S. bakery sales rose from about $48.26 billion in 1989 to $50.94 billion in 1990, and are projected to reach $52.93 billion in 1991, reports *Bakery Production and Marketing* magazine.

A large part of recent growth

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Atlanta-based The Peasant Restaurants serve homemade American desserts like Chocolate Cream Pie and Strawberry Shortcake.

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has been fueled by the explosion of in-store supermarket operations. They have put a squeeze on neighborhood bakers. Even so, independent retail bakeries surprised everyone last year by increasing sales more than 10% to $6.33 billion, far surpassing forecasts made the previous year.

Among foodservice operations, sales of baked goods rose roughly 5% in 1990, to $8.68 billion. That figure is expected to inch up further this year, according to *Bakery Production and Marketing*'s "Bakery Trends 91" report.

Savvy restaurant operators have long known that an inviting basket of fresh, warm breads, rolls, and other treats to start a meal, and a scrumptious dessert to end it, make wonderful first and last impressions.

HIGH-IMPACT EXTRAS. General Foods' Orlando, FL-based Red Lobster, for example, recently introduced unlimited cheese garlic bread served hot from the pan. "We did a lot of research before adding the new bread service," vice president, public relations, Dick Monroe notes. "It showed that one of the extra touches customers appreciate most is fresh hot bread."

Customers still love to splurge on desserts.

Similarly, Quincy's Family Steakhouses, Spartanburg, SC, prominently features a signature fresh-baked yeast roll in its advertising; and a highlight for many customers of Woburn, MA-based Bertucci's Brick Oven Pizzerias are the fresh rolls baked in its wood-burning ovens.

Among bakery operations, diversity seems to be the name of the game for most players. Several major donut operations have gone this route.

A recent TV ad for giant Dunkin' Donuts proclaims, "There's more to life than just donuts." The commercial highlights its muffins, brownies, cookies, and bagels—although it also says, "We hope you heard us, because we don't want to say that again."

T.J. Cinnamons' cinnacone holds several mini rolls for snacking in the malls.

The Randolph, MA-based chain completed its bagel roll-out in the last year. It also offers sandwiches on fresh-baked kaiser rolls, on croissants, and soup and sandwich combos. "However," senior vice president of marketing Sidney Feltenstein Jr. points out, "our strongest marketing focus is not on new products as much as on escalating distribution of existing core products through more outlets."

In the past few years, the company has built a system of branded distribution for its donuts and muffins through convenience stores. These outlets now number 3,600 and the firm hopes to continue the expansion.

A franchise arrangement with Marriott Corp. to operate outlets on toll roads and in airports is also growing, and Dunkin' Donuts is experimenting with other companies as well, Feltenstein says. "We've had a strategy in place relative to accelerating distribution that has enabled us to build strong sales and profitability in the face of a troubled market," he points out.

At the same time, the premier donut-maker continues to add more stores. It opened 207 units in the U.S. alone last year and expects to top that number in '91. In all, there are more than 2,000 Dunkin' Donuts, including 250 outside the U.S.

The company is also growing through conversions of Mister Donut stores, following that chain's purchase by Allied-Lyons PLC just a few weeks after Dunkin' Donuts was acquired by the London-based firm in December 1989.

Although Mister Donut has moved its headquarters from Minneapolis to Randolph, the two chains operate separately and changes of affiliation are up to the franchisees, Feltenstein says. With average post-conversion store sales up 50%, "Franchisees are favorably inclined," he adds.

"So far we've converted about 50 of approximately 500 units, bat we have many more commitments." Dunkin' Donuts' sales topped $1 billion last year.

VARIETY. Winchell's in La Mirada, CA, also appears to be going the variety route Company officials announced earlier this year that most of its 500-plus stores will eventually be converted to a new concept called Winchell's 'N' More, with an expanded menu featuring sandwiches and frozen yogurt. Four such stores opened last year. Since that announcement, however, the company's top management has been replaced, and none of the new officials could be reached for comment.

Another California-based chain, Donut Inn of Woodland Hills, like Dunkin' Donuts is developing a variety of distribution channels. Management differentiates between producing stores and all other outlets.

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The latter include Donut Inn satellite stores and branded displays in c-stores and supermarkets.

The company expanded from 36 producing stores at the end of 1990 to almost 50 at mid-year. Total retail outlets number over 100, Stephen Blum, vice president, marketing, notes. Donut Inn is selling its company stores to franchisees and seeking new franchisees. "We expect to expand into six states outside California by the end of the year, and two foreign countries," Blum says.

Beside donuts, the chain markets a variety of pastries, muffins, cookies, bagels, croissants, and stuffed croissant sandwiches. In some markets it is also adding cappuccino and espresso.

While donut shops have been a fixture on the American landscape for years, other types of specialized bakery operations made their biggest splash in the last decade. They include cookie shops, cinnamon roll stores, and muffin shops, all of which at one point seemed to be popping up like popovers. As times have toughened, this segment has undergone a shake-out that may not be over. Half a dozen companies mentioned in *RB's* 1988 bakery market segment report have disappeared or the franchisors have folded, leaving former franchisees on their own.

Many of the survivors have scaled back, weeding out unprofitable locations and tightening operations to secure a firmer base to grow from.

T.J. Cinnamons, for example, which once topped 200 units, ended 1990 with just 138 stores. Systemwide sales for the mostly franchised, Kansas City, MO-based chain totalled $35 million, compared to a high of $50 million a few years ago.

"The problems we had were those of a lot of companies with rapid growth," says president William Teel. "We started growing very quickly and had difficulties managing."

REGROUPED. "Since then we've stepped back, caught our breath, and regrouped," adds Teel. "We closed a number of units in 1989, but last year just a couple, and we opened a couple."

Some temptations from The Original Great American Chocolate Chip Cookie Co.

This year the chain plans to open seven to 10 new stores. In its rush to growth, Teel says, the company developed some weak locations, but has now become more selective.

T.J. Cinnamons sites are fairly evenly split between shopping malls and specialty strip centers. There is also one supermarket unit.

Some one-item bakery chains are diversifying.

The chain expanded from just cinnamon rolls to other bakery items several years ago and is continuing to broaden its offerings. They include muffins, cookies, a number of filled croissants, new strudel sticks, and most recently, bagels.

The company is also trying lunch items in a few stores on a limited basis. For the present, however, it will continue to focus on baked goods.

Cinnamon rolls are still its signature and strength, generating over 50% of sales. They include the original 8-oz. version and a cinnamon-pecan sticky bun, as well as other varieties on a rotating basis. In addition, there are 2-oz. petite rolls in packs of six and 12, two-bite "mini cinnis" in 12- and 24-packs, and a "cinnacone"—a snow cone cup filled with five "mini cinni's" designed for walk-around snacking.

Seattle-based Cinnabon, on the other hand, has held onto the top spot among cinnamon roll purveyors by continuing to concentrate on its single specialty.

It has already opened 10 units this year for a total of 149 and expects at least three more openings by year's end. Systemwide sales are conservatively projected to hit $50 million in '91.

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A subsidiary of Restaurants Unlimited, Cinnabon operates in 28 states and four Canadian provinces. Its highest concentrations are on the West Coast, in the Midwest, and the Philadelphia/Washington area. Just over half its units are franchised.

"Future growth areas will depend mainly on our licensees," notes Gary Merritt, director of marketing. Unlike many specialty bakeries that are geared toward individual owner/operators, Cinnabon primarily franchises territories to multiunit developers.

Most locations are in large regional shopping malls, Merritt adds, although one recently opened at the Detroit Metro airport, and some are in storefronts in or near office buildings.

CINNAMON ROLLS. Cinnabon believes it can continue to prosper by sticking strictly to its positioning as the "home of the ultimate cinnamon roll." The closest it has come to a departure is a caramel-pecan roll now in test, which will probably be rolled out systemwide in '92. Otherwise, stores sell a 9-oz. Classic and 4-oz. Minibon, plus specially roasted and blended coffee, hot chocolate, tea, and soft drinks.

Other chains keep focused on their specialties.

The company has concentrated on developing take-home packs. Many stores are also doing a growing volume by catering office parties and meetings for nearby businesses.

Among smaller chains that have survived is Cindy's Cinnamon Rolls, Fallbrook, CA, with 40 franchised units, down from 52 two years ago. Like T.J. Cinnamons, the company has become more selective about locations, says president Tom Harris.

"We've found our best success is in major malls, not in strip centers," he notes. "The big draw for us is the smell of our fresh-baked product getting out into the mall to attract customers. You can't get that in a strip center."

WHERE THE DOUGH IS

Bakery Segment	1990 Units	Sales (in billions)	1991 Units	Sales (in billions)
Retail	22,200*[1]	$ 6.33	22,600*[1]	$ 6.71
In-Store	23,007	$ 7.93	23,423	$ 8.32
Wholesale	2,562[3]	$28.0[3]	2,636[3]	$29.12[3]
Foodservice	207,681[2]	$ 8.68*	209,550*[2]	$ 8.78*
Total Sales		$50.94		$52.93

[1] Individual retail units

[2] Projected number foodservice units baking on-premise or receiving product from dedicated commissaries

[3] Wholesale includes bread/cake, cookie/cracker, and frozen bakery

*Revised estimate

SOURCE: Bakery Production and Marketing, U.S. Commerce Dept., Food Marketing Institute, National Restaurant Association

CHARTS BY SHARI FANG

Cindy's falls somewhere between the two leaders in terms of diversity. Cinnamon rolls contribute about 40% of sales. Other items include French puff pastries, chocolate-filled bear claws, muffins, and a different featured roll each quarter.

"We've found that staying focused is the best direction for us. We market our product as the best cinnamon roll anywhere. If you have too many products, you can't maintain that image," Harris comments.

The chain operates in 17 states with the heaviest concentration on the East Coast. Average volume per unit was $220,000 in 1990. "But as we've gotten more selective on sites, store sales are going up. One should do $600,000 this year," Harris says.

Credited as the model for several cinnamon roll concepts, Mrs. Powell's Delicious Cinnamon Rolls has undergone changes of ownership and direction since its founding in Idaho Falls, ID, by Dick and Gail Powell. Two years ago, the Powells sold the concept to Boston businessman Peter Scaccia, who retains a passive role but passed the majority interest on to a new investor group in January '90.

Now based in Franklin, MA, the chain has grown to 57 franchised units and one company store. The chain's orientation has changed from cinnamon rolls to a "bakery/eatery" concept, adds president Jim Lennon, although just 40% of locations presently offer lunch. Some are prevented by their size or mall lease agreements, but all stores that can are adding soups, salads, and sandwiches. New breakfast items such as bagels and scones have also been added to the original line-up of cinnamon rolls, muffins, and in some units, fresh-baked breads.

In addition, Mrs. Powell's has signed agreements with David's Cookies and Swenson's Ice Cream to develop triple-trademark units. "With the way rents expanded in the '80s, we couldn't afford the locations we wanted selling just cinnamon rolls," Lennon comments. "For the future, we'll work at keeping the menu as expansive as we can. We will retain the cinnamon roll as a trademark, but we want to develop a fuller identity as an upscale bakery/-eatery/cafe."

Among cookie stores, two of the

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strongest national presences have found success by staying extremely focused.

The Original Great American Chocolate Chip Cookie Co., Atlanta, had its best year ever in 1990, reports COO Erik Gordon. It operates well over 300 stores, about two-thirds franchised, and is continuing to grow at a rate of roughly 10% a year, Gordon says. The firm does not release specific figures.

Most units are in malls but there are also some in special purpose complexes such as "downtown urban festival projects," he adds. "We're also looking into new sites such as transportation locations." The average store measures 600 sq. ft. and sells about a dozen varieties of cookies and brownies plus beverages. New flavors are rotated in and out on a regular basis.

Original Cookie Co., Cleveland, OH, is another successful specialist. It had 250 stores at the end of 1990 and expects to open a total of at least 20 in 1991. Sales last year hit $60 million. All units are company-owned. The firm was acquired two years ago by Paris-based Midial, owner of Fanny Farmer.

Bakery/cafes offer sandwiches as well as rolls.

Original Cookie units typically offer about 18 varieties at a time, including bite-size, old-fashioned cookies, a gourmet line, and a 13-in. personalized decorated product. It also sells brownies and a proprietary line of "Cookie Cups"—cookie shells baked in muffin tins with fruit or icing fillings.

Virtually all stores are in malls. Original Cookie's same store sales have risen roughly 5% to 6% in each of the last two years, director of marketing Richard Dragonette notes.

"We attribute it mostly to a very practical issue, value pricing," he comments. "We've made it our business to stay below most competitors in price. We've marketed to the mainstream, and priced accordingly.

"We also offer our customers pricing options," Dragonette points out. "For instance, they can buy one old-fashioned for 70¢, two for $1.40, or three for $1.85—getting the third at half-price.

"We've always structured our pricing to be below resistance points, so consumers can consume as impulsively as possible."

TOO GOURMET? While Original Cookie aims for the mainstream, Mrs. Fields, another national competitor, may have suffered by positioning itself as a gourmet cookie store, Dragonette observes.

Chairman Randy Fields could not be reached for comment, but several industry observers say the firm may still be experiencing financial difficulties.

The Park City, UT-based company operates 473 Mrs. Fields Cookies stores, 97 La Petite Boulangeries bakery/cafes, and 22 Mrs. Fields Bakeries, which combine the two concepts. They are located in 34 states and six foreign countries. There is speculation that the company may be shifting its focus from cookies to cafe operations. Sales for Mrs. Fields Inc. totalled $122.9 million last year.

One edge bakery/cafes have over specialty snack concepts is that they can become destinations, instead of relying on passing traffic and impulse purchases. Among the most successful is Boston-based Au Bon Pain, which is growing by leaps and bounds. The company finished 1990 with 86 units and sales of $69 million. It will add 21 stores in 1991 and expects sales to reach $90 million. In 1992, the firm plans to add another 25 units, says partner Louis Kane.

About 80% of stores are company-owned, with the heaviest concentration in the Boston area. Others are located throughout New England, New York, Philadelphia, and the greater Washington, DC, area. In addition, three franchisees operate units in airports across the country, in the Chicago and Minneapolis/St. Paul markets, and in nonurban New England markets.

Only about one-fifth of Au Bon Pain stores are in shopping malls. The rest are in office buildings, mixed-use complexes, transportation centers, and other sites, including a growing number of hospitals.

Au Bon Pain prepares all dough products in a central production facility, then delivers them frozen to be baked off at the retail locations. Including rolls used to make sandwiches, these baked goods account for roughly 40% of sales. This year the menu has undergone significant expansion. "We've added more hot sandwiches, a seasonal chicken pot pie, and new muffin varieties," Kane says. "We've also introduced six new rolls."

Also new are salads, new varieties of filled croissants, more cookie varieties, and an expanded soup line. "We have so many customers who come in three to four times a week, we want to be able to offer them more variety," says Kane.

The chain is also upgrading its coffee

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Mrs. Powell's has been cited as the model for other chains.

service through a joint operation with Boston-based Coffee Connection. "We're retro-fitting all our units to grind beans in-store and increase the variety of coffees offered. We'll also be selling coffee beans whole or ground, so when customers stop by at night they can pick up both bread and coffee to take home.

"We feel the opportunities going into the '90s are boundless," Kane adds. "Consumers who grew up in the era of fast food but want something a little better, a little healthier and fresher, come to us. The bakery/cafe is a great position to be in today."

Michael Simpson, president of Cookie Factory Bakeries, Oak Brook Terrace, IL, adds that the bakery/cafe format provides tremendous flexibility to bring in any variety of items as they become popular and to discontinue them if their popularity wanes.

Athough cookies still account for a major portion of the Cookie Factory Bakeries' business, the company added "Bakeries" to its name several years ago to signal its expanded focus, and is staking its growth on new positioning as a bakery/cafe. Three of its newer units are under the name Michel's Bakery & Cafe.

The company began broadening bakery lines several years ago and then started adding soups and sandwiches made on its own fresh-baked rolls, french bread, and croissants. About half the units now offer some cafe items and in the future virtually all new stores will, Simpson says.

The mostly franchised chain closed some units two years ago but opened three in the last year for a total of 40. It expects to add six to 10 more this fiscal year. They are located in 15 states, primarily in the Midwest.

Nearly all stores are in malls, but the company is eyeing other locations, Simpson adds, "especially for the Michel's units, which could be suitable for strip centers, office complexes, even freestanding."

Foodservice sales of baked goods were $8.7 billion.

SHIFTING AWAY. Despite these companies' rosy views, Vie de France, Vienna, VA, is shifting its emphasis away from the bakery/cafe segment to concentrate on new enterprises built around sous-vide products. The change is due largely to the acquisition of the company's wholesale division by Yamazaki Baking Co. of Japan, a $3.2 billion bakery giant. The Japanese company will continue to supply Vie de France frozen dough and other bakery products to foodservice and retail outlets in the U.S., including the now independent Vie de France restaurants.

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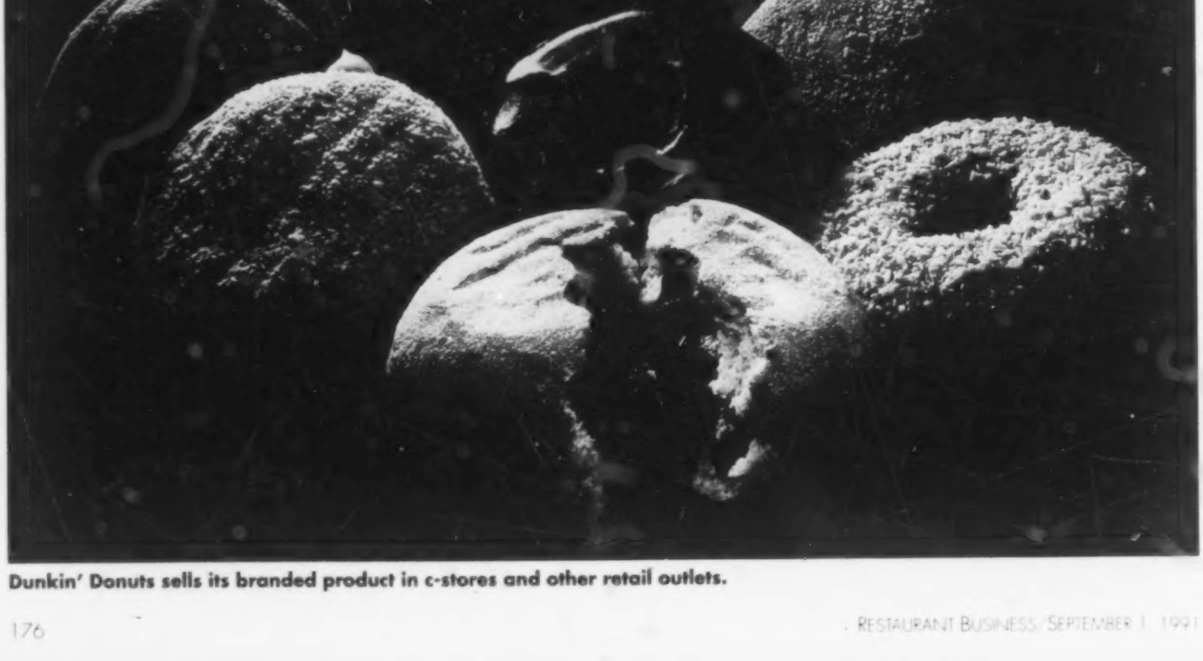

Dunkin' Donuts sells its branded product in c-stores and other retail outlets.

BAKERY

The restaurant group had substantial losses last year, a spokesperson notes, and is in the process of closing 15 to 17 unprofitable units. Its remaining collection of about 50 full-service restaurants and Fast & Fresh cafes will continue to operate as before but there will be no new openings. Instead, Vie de France Corp. will focus on its new culinary division. This operation supplies about 120 sous-vide processed entrees, sauces, and side dishes to foodservice operators, including a half dozen Vie de France restaurants on a test basis. Future plans call for the opening of full-service restaurants and Express Cafes featuring sous-vide product—with no special emphasis on baked goods.

Many chains prepare doughs in commissaries.

BAGELS. Another launching pad for a bakery-oriented cafe can be the bagel shop. Four brothers from the East discovered there were no bagels in downtown Chicago several years ago, so in 1983 they opened Jacobs Bros. Bagels, which has since turned into three "Bakery & Restaurant" operations.

"We started with just bagels but soon added sandwiches on bagels, then soups and salads," notes Bill Jacobs. They also sell other baked goods such as scones, pecan rolls, and rugalach.

The bagels are manufactured at one facility, then sent to the others to be boiled and baked. The company also wholesales bagels. The stores have seating areas ranging from 30 to 120 seats and do a significant eat-in business. They also offer delivery and take-out of restaurant items. About 25% of sales is just take-home bagels.

Last fall, the brothers launched a new venture, Jacobs Bros. Java—Cafe & Roasting Co., located in the same office building on the opposite side of the lobby from one of its bagel stores. It features specialty coffee drinks, fresh-baked muffins, pastries and cakes, sandwiches on various breads other than bagels, and salads. The Cafe also roasts a dozen coffee varieties daily and supplies fresh ground coffee to the bagel stores.

As they expand lines to survive, some traditional retail bakeries are also moving in the direction of cafe-type operations. Zaro's Breadbasket, New York City, is an example. Once a family-owned string of neighborhood bakeries, third-generation management has turned Zaro's into a specialist in high-traffic, fast transaction operations, selling virtually every kind of bakery product as well as a range of other items including deli sandwiches, hot dogs, pizza, knishes, and frozen yogurt. In stores that carry the full line, nonbakery items contribute 60% of sales, executive vice president Stuart Zaro notes.

Zaro's is preparing to add two new units to its present 13 in New York City and Newark, N.J. In addition to high-profile sites in Manhattan's Grand Central Station, Port Authority Bus Terminal, and Penn Station, the company will soon open a second Penn Station unit and its largest store yet, a 4,000-sq.-ft. "showpiece" in Rockefeller Center. Zaro's produces all its baked goods at its 40,000-sq.-ft. Bronx, NY, plant and delivers most items unfinished to be baked off at the stores.

Zaro's has begun adding informal tables and chairs wherever stores can accommodate them. It has also

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World Famous Cinnam
CINNABO

Cinnabon has chosen to focus on its cinnamon bun.

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launched a significant take-out, delivery, and office catering business from two sites. Its Rockefeller Center store will also have space dedicated to take-out.

A West Coast company provides another example of how foodservice can help turn a bakery caterpillar into a butterfly. Once a struggling operator of specialized Italian bakeries, Il Fornaio America Corp. is now a very successful combination wholesale, retail, and restaurant company, led by chairman and CEO Larry Mindel.

The San Francisco-based firm was formed in 1980 when Williams-Sonoma Inc. bought U.S. rights from the Italian Veggeti family, operator of 1,500 European Il Fornaio bakery/cafes. In seven years it expanded to 12 retail bakeries that by 1986 were losing over $2 million a year. Then the company approached Italian restaurant mogul Mindel, cofounder of Spectrum Foods and former president of Saga Corp.'s restaurant division, to step in and turn things around.

Under his direction the company sold off some retail stores, turned others into bakery/cafes, built up wholesale business, and began developing full-service Italian restaurants that feature its Italian breads and other specialties on the menu and in adjoining take-out stores. Today Il Fornaio operates three production bakeries that supply outside customers and its own six bakery/cafes, four Il Fornaio restaurants, and Etrusca restaurant, all located in or around San Francisco, Los Angeles, and San Diego. Sales for its last fiscal year ended in May approximated $30 million. The company hopes to double volume to $60 million over the next three years by expanding all three avenues.

The newest store in downtown Los Angeles features a broadened cafe menu and outdoor seating. This fall the company will open a new production bakery-retail store-restaurant complex in Irvine, CA.

Hot-from-the-oven breads win over customers.

The full-service restaurants serve breakfast, featuring an array of Italian pastries and toasted breads, as well as lunch and dinner menus including gourmet pizzas, pastas, and Italian entrees. Each meal begins with a basket of fresh-baked breads served with olive oil for dipping, and some selections feature baked items, such as a traditional tomato soup made with large chunks of Tuscan bread.

In Atlanta, the Buckhead Life Restaurant Group is acknowledging the importance of wonderful bread to a great meal with its recent opening of the Buckhead Bread Company (BBC) along with its newest restaurant, Pricci.

Buckhead president/co-owner Pano Karatassos says he wants to put Atlanta on the map along with cities like San Fran-cisco and New York that are known for their breads. The centerpiece of the operation is a $50,000 French hearth-lined, stone-based oven. The BBC will produce signature breads for each of Buckhead Life's seven restaurants, as well as serving as a local wholesale and retail bakery.

While breads may be getting fancier, at least one restaurant group sees a trend in desserts toward more "home-style" preferences, analogous to the "comfort food" movement in other sections of the menu.

Powell of The Peasant Restaurants, who develops all desserts for the Atlanta-based group, says that at least in its operations people are less interested in "stuffy," European-style tortes and more excited about tall, gooey, American, homemade desserts.

"We use oversize pans and instead of putting whipped cream on with a pastry bag we slather it on with a spatula, so it looks like Mom made it," Powell adds.

Nearly half of all customers at its 19 casual and white tablecloth restaurants order dessert, even though entree portions are also very large. They are tempted by concoctions like apple caramel tart with crumble streusel topping and home-made ginger-caramel sauce, hummingbird cake—three layers of spicy cake studded with pineapple and bananas, with a cream cheese-pecan frosting, and all manner of rich, chocolate dessert delights. Peasant's casual diner-style operations are known for cream pies, while each white-tablecloth restaurant features its own signature dessert concoctions.

Original Cookie Co.'s Decorated Cookie line entices special-occasion sales.

"We have tried offering healthier desserts such as fresh fruit with a light, flavorful sauce, or pies that are not too sweet, but that's not what sells," he adds. **RB**

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THE HARD FACTS SHAPING OUR INDUSTRY

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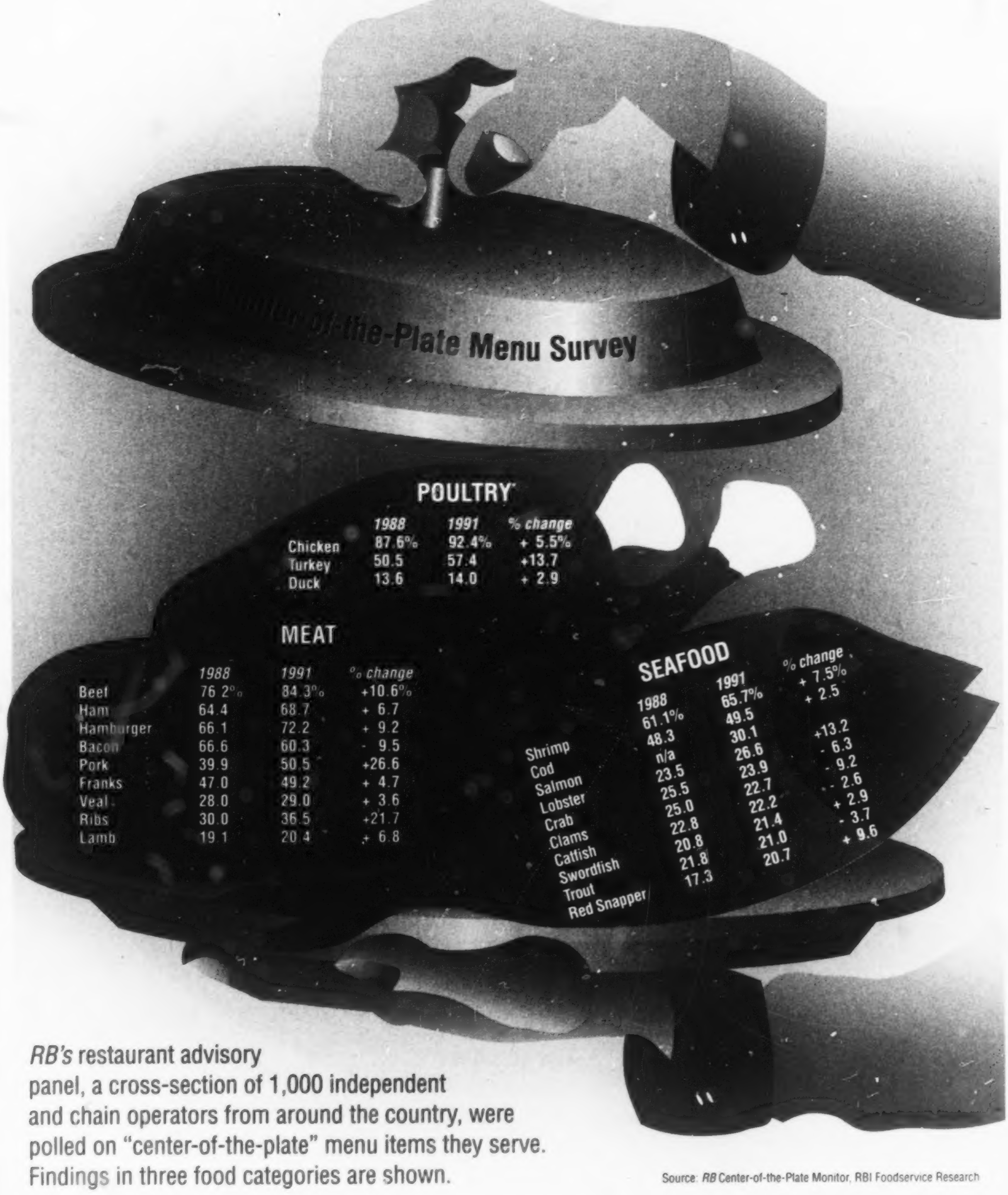

POULTRY

	1988	1991	% change
Chicken	87.6%	92.4%	+ 5.5%
Turkey	50.5	57.4	+13.7
Duck	13.6	14.0	+ 2.9

MEAT

	1988	1991	% change
Beef	76.2%	84.3%	+10.6%
Ham	64.4	68.7	+ 6.7
Hamburger	66.1	72.2	+ 9.2
Bacon	66.6	60.3	- 9.5
Pork	39.9	50.5	+26.6
Franks	47.0	49.2	+ 4.7
Veal	28.0	29.0	+ 3.6
Ribs	30.0	36.5	+21.7
Lamb	19.1	20.4	+ 6.8

SEAFOOD

	1988	1991	% change
Shrimp	61.1%	65.7%	+ 7.5%
Cod	48.3	49.5	+ 2.5
Salmon	n/a	30.1	
Lobster	23.5	26.6	+13.2
Crab	25.5	23.9	- 6.3
Clams	25.0	22.7	- 9.2
Catfish	22.8	22.2	- 2.6
Swordfish	20.8	21.4	+ 2.9
Trout	21.8	21.0	- 3.7
Red Snapper	17.3	20.7	+ 9.6

RB's restaurant advisory panel, a cross-section of 1,000 independent and chain operators from around the country, were polled on "center-of-the-plate" menu items they serve. Findings in three food categories are shown.

Source: *RB* Center-of-the-Plate Monitor, RBI Foodservice Research

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SEPTEMBER 20, 1991 VOL. 90, NO. 14

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EXCLUSIVE REPORT RESTAURANT GROWTH INDEX. The 24th Annual RGI is *RB*'s exclusive state-of-the-industry analysis. Presented in two sections—market segment reports and statistical tables—the RGI functions as a complete tool for evaluating the potential of both industry segments and geographical markets. Included are reports on sales and trends within the major market segments as well as a comprehensive package of statistical information, grouped by Metro Areas and Areas of Dominant Influence (ADI) of a television signal **73**

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Cover illustration by Nancy Stahl.
This poster art, suitable for framing, is available for $5 plus postage and handling. Direct inquiries to Editor, *RB*, 633 Third Ave., New York, NY 10017.

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IN THE NEXT ISSUE

COVER STORY COMPANY OF THE YEAR. This year we are honoring PepsiCo for their track record of double-digit growth with not one or two, but three major chains, an unprecedented accomplishment even in the healthiest economy. PepsiCo is also the world's largest restaurant company at 15,000 units. Pizza Hut, Taco Bell, and KFC are autonomous divisions, but there's also a corporate vision at work that's rarely revealed. PepsiCo is revolutionizing our industry.

SPECIAL REPORT THE BRANDING OF RESTAURANTS. One of the most sensitive decisions an operator has to make is whether or not to put brand-name products on the menu. Some do it for the marketing allure of offering recognized premium labels, some do it as a means of getting product rebates or offsetting menu printing costs, and some refuse to admit to patrons that a manufacturer might actually have a better product than the culinary team of the restaurant might whip up.

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Special requests should be addressed to Scott Allmendinger at Restaurant Business.

ACF Takes to the Road

Culinary education is going on the road. The American Culinary Federation (ACF), the largest professional chefs association in the U.S., wants to dispatch trainers and "world-class" chefs to local chapters and regions around the country as part of an ambitious educational outreach program for working culinarians.

It's all part of the ACF's new Horizons 2000 educational program. A $3.5 million capital fund-raising program directed at corporations, local chapters, and individual patrons has been launched to achieve those goals. About $1 million of that amount will go toward the expansion of ACF's national headquarters in St. Augustine, FL, for additional staff space and a new studio kitchen for producing instructional videos for the 246 local chapters, according to John Folse, chairman of the Horizons 2000 steering committee.

"This is probably the most important advancement in the ACF since its founding in 1929," said Folse.

Folse said more than $100,000 has been raised from elected national ACF officials so far and was optimistic about corporate support, which has already started to come in. "We're going to go after corporate dollars geared for education rather than promotion and marketing," he said.

But the Horizons 2000 campaign has met with some skepticism. For example, Ferdinand Metz, president of the Culinary Institute of America in Hyde Park, NY, and recently elected national treasurer of the ACF (see Lateline, p. 289) says the program is still in an "emotional" and "conceptual" stage. He says he has "millions" of unanswered questions. "What should it do? How much will it cost? What are the alternatives? How can I endorse what I don't know?" Metz said, however, that the new slate of ACF officers will most likely take responsibility for moving the project along.

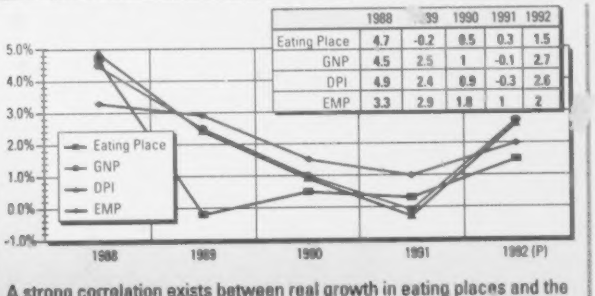
"Right now the ACF has got an idea that's building a lot of momentum," said Tom Wright, dean of the Culinary College at Johnson & Wales University in Providence, RI. Although Wright said the Horizon 2000 goals will be difficult to achieve, he said the ACF "could have a very successful program."

–Marilyn Alva

Jack In The Box officials didn't let a storm mar their celebration of the chain's first unit opening in Hong Kong.

THE EASY LIFE. Sonny Bono is all smiles since the Radisson Palm Springs Resort and Racquet Club acquired his popular restaurant Bono's located next to the area's largest pool. Bono will still manage the eatery.

Eating Places and the Economic Indicators: A Scorecard



	1988	[illegible]39	1990	1991	1992
Eating Place	4.7	-0.2	0.5	0.3	1.5
GNP	4.5	2.5	1	-0.1	2.7
DPI	4.9	2.4	0.9	-0.3	2.6
EMP	3.3	2.9	1.8	1	2

A strong correlation exists between real growth in eating places and the leading economic indicators—gross national product, (GNP), disposable personal income (DPI), and employment. All indicators suggest a vastly improved economy for 1992.

SOURCE: Technomic Inc.; U.S. Dept. of Commerce; Blue Chip Indicators (P) Projected

CHART BY SHARI TANG

A Stormy Opening

The opening of the first Jack In The Box restaurant in Hong Kong was disrupted when a typhoon blew into town on the opening day.

As government workers were announcing that people should head for home, the restaurant was just getting ready to open. And open it did—but for only five hours.

"We got it open at 3 p.m., but trying a new restaurant was the last thing on people's minds," said Jan McLane Rieger, a spokeswoman for San Diego-based Jack In The Box. The unit reopened the next day at 12:30 p.m., again for only five hours. "They were encouraging people to go home and stay home, so it didn't make sense for us to try to do business," said Rieger.

Two days after the official opening, the restaurant was finally able to stay open for regular hours. It is the first of 10 units planned for the Hong Kong market.

–Kevin Farrell

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RB
COVER STORY

24TH ANNUAL RGI

For almost a quarter of a century, *RB's* annual Restaurant Growth Index (RGI) has served as the barometer of industry activity. Indeed, the RGI comprises the foodservice industry's most comprehensive tool for evaluating segment and geographic potential. As in past years, *RB* presents the RGI in two parts. Part I includes exclusive trend studies of the eight major market segments and offers an in-depth look at the foodservice industry's overall sales performance. Part II, the Metro and ADI Reports, encompasses sales and demographic profiles of the nation's 320 Metropolitan Statistical Areas and 210 Areas of Dominant Influence (ADIs).

RESTAURANT GROWTH INDEX

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ILLUSTRATION BY NANCY STAHL

24TH ANNUAL RGI

INDUSTRY REPORT

The year 1990 is one that many in the restaurant industry would rather forget. For full-menu operators, real sales declined for the second year in a row, -1.4% in 1990. In aggregate, full-menu restaurants had sales of $75.5 billion in 1990. Limited-menu operators fared somewhat better, posting a real gain of 1.7%, but down significantly from the category's average in the 1980s. The limited-menu segment saw sales increase to $74.9 billion in 1990.

On an overall basis, eating and drinking places remained relatively flat in 1990, with a real decline of 0.1%. The sluggish performance of the eating and drinking place segment held overall foodservice growth in check at just 0.5%. Among the major segments, only the airline and leisure segments enjoyed real growth in excess of 2%.

While the economic recession officially began in the second half of 1990, restaurant sales began to suffer during 1989. This lends credence to the theory that the foodservice industry is really a leading indicator of the economy.

The leading economic indicators—gross national product, disposable personal income, and employment—offer little hope for much improvement in 1991. Specifically, the Blue Chip forecasts call for a 0.1% decline in GNP, a 0.3% decline in DPI, and a 1.0% increase in employment. Accordingly, the Chicago-based research firm Technomic forecasts little change in total foodservice growth in 1991 at 0.7%.

In 1991, full-menu operators will endure yet another year of real decline at 1.0%, as total sales reach nearly $78 billion. At least the segment is moving in the right direction. Limited-menu operators, the major source of growth for the foodservice industry for the past several years, are likely to face continued slow but positive real growth in 1991, estimated at 1.5%. 1991 sales will top $79 billion.

POSITIVE LONG TERM. Technomic remains positive on the longer term outlook for the restaurant industry. Full-menu operators should average 1.0% real growth through 1996.

FOODSERVICE INDUSTRY SUMMARY

FOODSERVICE SALES

MAJOR MARKET SEGMENTS	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Eating & Drinking	430,475	168,669	57,777	4.6	-0.1	176,268	60,324	4.5	0.3	232,748	5.7	1.5
Eating Places	392,120	157,550	53,885	5.2	0.5	164,682	56,268	4.5	0.3	218,156	5.8	1.5
Limited Menu	189,635	74,853	23,204	6.5	1.7	79,167	24,542	5.8	1.5	107,370	6.3	2.0
Full Menu	188,755	75,491	27,932	3.3	-1.4	77,875	28,814	3.2	-1.0	100,541	5.2	1.0
Retail Market	92,050	11,226	4,169	5.6	0.8	11,914	4,421	6.1	1.8	15,921	6.0	1.7
Hotel/Motel Market	26,100	14,870	5,948	5.2	0.5	15,495	6,198	4.2	0.0	20,503	5.8	1.5
Leisure Market	30,550	7,981	2,793	7.9	3.0	8,561	2,981	6.7	2.4	12,126	7.3	3.0
Business & Industry	16,450	17,305	8,652	6.6	1.8	18,212	8,619	5.2	1.0	24,101	5.8	1.5
Health Care Market	26,330	11,247	5,623	3.6	1.3	11,580	5,790	4.1	0.9	13,548	3.2	1.0
Student Market	19,035	15,895	7,539	3.7	0.5	16,450	7,765	3.5	0.5	20,116	4.1	1.1
Vending Market	8,990	16,209	7,294	6.3	1.5	17,058	7,676	5.2	1.0	22,573	5.8	1.5
Airline Market	30	4,356	2,178	9.9	5.0	4,675	2,338	7.3	3.0	6,987	8.4	4.0

[1] Sales estimates for Business & Industry, Health Care, Student, Vending, and Airline markets have been adjusted to reflect equivalent consumer expenditures.

[2] Purchases include all food and nonalcoholic and alcoholic beverages. Alcohol beverage purchases have been excluded in Business & Industry, Health Care, Student, and Airline markets only. Student units were tabulated by number of school districts instead of number of schools as in previous years.

[3] Full-menu and limited-menu restaurant sales are included in eating place sales. Eating-place sales are included in eating and drinking place sales and should not be added with other major market segments to arrive at total market sales.

INDUSTRY REAL GROWTH SUMMARY
FOODSERVICE SALES

	1990 % Real Sales Growth	1991 % Real Sales Growth	1991-1996 % Real Compound Annual Growth Rate
TOTAL MARKET	0.5	0.7	1.5
Commercial/Contract/Vending	0.4	0.6	1.6
Institutional/Internal	1.3	0.7	0.7
Military	0.5	2.5	0.5
MAJOR MARKET SEGMENTS:			
Eating & Drinking Places	-0.1	0.3	1.5
Eating Places	0.5	0.3	1.5
Limited Menu	1.7	1.5	2.0
Full Menu	-1.4	-1.0	1.0
Retail Market	0.8	1.8	1.7
Hotel/Motel Market	0.5	0.0	1.5
Leisure Market	3.0	2.4	3.0
Business & Industry Market	1.8	1.0	1.5
Health Care Market	1.3	0.9	1.0
Student Market	0.5	0.5	1.1
Vending Market	1.5	1.0	1.5
Airline Market	5.0	3.0	4.0

The consumer price index for food-away-from-home is 4.7% for 1990 and 4.2% for 1991, except Primary/Secondary schools and Health Care where the rate is 2.3% and 2.0% respectively.
Inflation for food-away-from-home is forecast to average 4.2% annually for the period 1991 through 1996 and 2.1% for Health Care and Schools.

Similarly, limited-menu restaurants are expected to post 2.0% annual real growth through 1996. While both of these long-term growth rates are lower than the rates of growth the industry enjoyed through much of the last decade, they indicate the maturity of the industry, and the over-built conditions that exist in many markets across the country.

For the fourth year in a row, the consumer price index for food-away-from-home trailed that of food-at-home. Prices at restaurants rose 4.7% in 1990, compared to 6.5% at supermarkets. Clearly, the recent trend of slower inflation in the food-away-from-home market benefits consumers. However, the continued discrepancy in the rise in prices also indicates that, to some extent, restaurants have been unable to pass along price increases to consumers due to competitive pressures. The recent trend of "value meals" by fast-food chains is indicative of a willingness to sacrifice margins in order to increase, or at least maintain traffic.

BRIGHT SPOT. The fastest-growing segment among the major markets in 1990 was the airline segment, with a 5.0% real growth. Passenger traffic, supported by continued strong growth in international service, increased 5.4% for 1990. The war in the Persian Gulf curtailed airline traffic significantly during the first quarter of 1991, but the industry rebounded by summer, and should post another solid year of real growth in 1991, at 3.0%.

The leisure market represented the second-fastest growing major market. While growth slipped slightly from the 3.5% enjoyed in 1989, the 3.0% growth in 1990 is respectable. This market has been aggressively upgrading the types of food offered. This has resulted in higher check averages. The leisure market should be able to easily sustain 3% annual growth over the next five years.

Thanks to a strong first half, the hotel/motel industry showed positive growth in 1990, up 0.5%. According to Smith Travel Research, occupancy rates were up nearly 2% midway through 1990 and then steadily declined, finishing the year with an increase of just 0.5%. While the decline in occupancy rates continued into 1991, the industry is expected to rebound in the second half of 1991. However, coupled with the dramatic slowdown in new unit construction, the 1991 forecast calls for no real growth in the hotel/motel segment.

C-STORE SURGE. While the retail market had an overall real growth of 0.8% in 1990, all of the growth is from the convenience-store portion. Lured by attractive margins, foodservice at traditional c-stores had been an area of growth throughout the 1980s. Current growth, however, has come from the competing gas-oriented "food shops." While c-stores were among the fastest-growing segments in the 1980s, market saturation and the penetration of foodservice throughout this industry suggests that over the next five years real growth will moderate at 2% annually.

Conversely, many general merchandise and drug stores have been de-emphasizing foodservice and the percentage of sales represented by foodservice has steadily declined since 1982. In 1990, both of these subsegments endured real declines. These segments have also been looking for strategic alliances with major limited-menu chains for support. Over the next five years, the general merchandise and drug store foodservice markets should stabilize, and post positive, albeit under 1%, real growth through 1996.

INSTITUTIONAL MARKET. The overall sales figures in the noncommercial or institutional segments must be interpreted cautiously. In many segments and situations such as patient foodservice at hospitals and airline passengers, a sale *per se* does not take place. "Sales" volume for these segments has been adjusted to represent the equivalent retail value of the foodservice. This adjustment also takes into account the effect of subsidized meals at many business and industry operations.

Unlike eating places, hotels, and other commercial operations, the health-care and student segments are not as vulnerable to overall economic conditions. Both segments had moderate growth in 1990 at 1.3% and 0.5% respectively. As with the business & industry segment, the contract portions of these markets continue to grow at significantly faster rates than internal operations. This trend is likely to continue at least over the next five years, particularly in the primary/secondary school and health-care segments where the contract feeder share of the market is still relatively small. Through 1996, the business & industry, vending, health-care, and student markets will maintain moderate, but positive annual growth of 1% to 2%.

The year 1990 proved to be more difficult for the foodservice industry than 1989 was, yet 1991 will show some improvement. Technomic forecasts that by 1992, the industry will return to its long-term annual real growth of 1.5%.—**Ralph D. Rush**

24TH ANNUAL RGI

SEPARATE EATING

Over the past year, national and international circumstances have affected foodservice as seldom before. The recession, the Gulf War, and the ongoing decline in consumer disposable income have all played a role in keeping business in the doldrums. Few observers are hopeful of a recovery anytime soon.

National Restaurant Association (NRA) surveys in March, April, and May of this year indicated significant increases in restaurant patronage, fueling optimism for a possible foodservice industry turnaround. However, restaurant patronage dipped sharply in June, making a comeback seem questionable again.

RGI figures tell the story of soft performance. Separate eating and drinking places had 0.3% real sales growth in 1991 compared to 1990. The five-year real compound annual sales growth projection is 1.5% compared to 2% last year.

SLUGGISH. Of course, operators have had to contend with sluggish business for some time. Between 1989 and 1990, total restaurant industry traffic growth increased a mere 1.7% , the third year of very slow growth, according to the CREST report, a service of the Park Ridge, IL-based NPD Group. CREST notes that the top 100 chains managed only a 1.6% traffic gain. It also marks the first time in its tracking history that the industry's top 100 chains have lagged behind the total industry in growth.

As usual, the industry finds itself with a full plate of challenges apart from selling food and serving customers. Finding economically feasible restaurant sites in a saturated marketplace, recruiting and training employees, controlling operating costs, keeping up with healthy eating trends, coping with government regulations, and managing the solid waste problem are a short list.

Standard street front locations are increasingly harder to find. Irvine, CA-based Taco Bell Corp. says it will use some nontraditional venues to help it reach its goal of 10,000 points of distribution by the end of the year 2001. Mobile carts, kiosks, and downscaled units will be placed in such alternative locations as hospitals, schools, airports, stadiums, and perhaps even supermarkets.

On another front, Taco Bell is using technology to deal with the shortage of capable management and labor. It has automated much of the managers' paperwork, freeing them for more customer contact. Food preparation is increasingly being done away from the premises, cutting store labor and allowing the typical kitchen to shrink from 70% of the unit's total space a few years ago to 30% today.

Another solution to the shortage of sites and rising real estate and operating costs is the multi-concept shared site. Recently, a three-in-one restaurant opened in downtown Chicago with three different chains under one roof: Arby's, Sbarro, and Vie De France. The kitchens are adjacent, although separate, reducing construction and equipment costs. Developers say the total investment for the three-in-one unit is similar to that of a single in-line store.

America's concern about health and food safety

SEPARATE EATING AND DRINKING PLACES

FOODSERVICE SALES

MARKET SEGMENTS	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Separate Eating Places	392,120	157,550	53,885	5.2	0.5	164,682	56,268	4.5	0.3	218,156	5.8	1.5
Limited Menu Restaurants[2]	189,635	74,853	23,204	6.5	1.7	79,167	24,542	5.8	1.5	107,370	6.3	2.0
Full Menu Restaurants	188,755	75,491	27,932	3.3	-1.4	77,875	28,814	3.2	-1.0	100,541	5.2	1.0
Public Cafeterias	9,730	4,535	1,814	4.1	-0.6	4,773	1,909	5.6	1.0	6,162	5.2	1.0
Social Caterers	4,000	2,671	935	8.0	3.2	2,867	1,003	7.3	3.0	4,083	7.3	3.0
Separate Drinking Places[1]	38,355	11,119	3,892	0.0	-4.5	11,586	4,055	4.2	0.0	14,592	4.7	0.5
Total	430,475	168,669	57,777	4.6	-0.1	176,268	60,323	4.5	0.3	232,748	5.7	1.5

[1] Units include only bars and taverns that serve food.
[2] Includes ice cream and frozen custard stands.

LOGOS BY BETH MEYERS

AND DRINKING

Taking aim at the demand for fresh and healthy fare, Boston Chicken features marinated rotisserie-cooked chicken and fresh vegetable dishes.

are challenging menu makers. The rollout earlier this year of McDonald's McLean Deluxe opened the floodgates for health-oriented items.

Hardee's has countered with the Real Lean Deluxe, its own lower-fat burger. Arby's Light Sandwiches line of turkey, chicken, and roast beef have fewer than 300 calories each and are 94% fat free. KFC has rolled out Skinfree Crispy, a skinless fried chicken. Wendy's has a Grilled Chicken Fillet sandwich, which it bills as 50% less fat and 33% fewer calories. In one Burger King unit, a line of national-brand, low-calorie foods is in test. In addition, BK has cut the calories of its BK Broiler sandwich by one-third.

A healthful image, along with flavor, convenience, and moderate price, is the hook that Boston Chicken hopes to use to build a major fast-food chain. The six-year-old concept, owned and franchised by Boston-based New Boston Chicken Inc., features marinated rotisserie-cooked chicken and fresh vegetables. The menu strives to rise above ordinary fast food in its sophistication and perceived healthfulness. A typical meal might consist of its signature chicken served with sautéed fresh carrots and new potatoes with dill, and fresh baked brownies for dessert. "It's not fast food, it's good food fast," says chairman George Naddaff.

REGULATORY WOES. Government regulations continue to burden operators, although there are signs that operators are beginning to stand up for their rights. The year began with a steep increase in the federal excise tax (FET) on alcoholic beverages, forcing operators with liquor licenses to raise drink prices or else take a loss. Recently, executives of 21 full-service restaurant chains joined to form the American Beverage Institute, a nonprofit, self-funding group based in Washington, DC, formed to give restaurant operators a stronger voice in public policy on alcoholic beverage use.

Repealing the FICA tax on tips, the much vilified law passed a few years ago that raised operator payroll taxes significantly, remains an uphill struggle. But the NRA optimistically reports that 175 House members and 24 Senate members—more than before—have signed on as co-sponsors of repeal bills that Congress will act upon this fall.

Mandatory employer-provided health insurance for employees is a governmental issue that looms as a potential nightmare for operators. It is being debated in the legislatures of several states, and promises to be a California statewide ballot initiative in 1992. State restaurant associations warn of a difficult fight to stop it. They claim that mandatory insurance could lead to the thousands of small business failures and widespread layoffs or wage and benefit reductions.

Restaurants, particularly fast-food chains, are targets of the environmental movement. Oak Brook, IL-based McDonald's Corp. took a proactive step in managing the solid waste disposal problem this year by issuing its Waste Reduction Action Plan. The plan, developed in conjunction with the Environmental Defense Fund, entails more than 40 measures to reduce the solid waste stream of its restaurants. They include using

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FOOD PREPARATION IS INCREASINGLY BEING DONE OFF PREMISE, CUTTING STORE LABOR COSTS AND SHRINKING KITCHEN SIZE.

unbleached paper products, composting food scraps and paper waste, using starch-based degradable cutlery, bulk dispensers for condiments, and refillable coffee mugs.

POISED FOR SUCCESS. Social and demographic forecasts finger casual restaurants as the segment best poised for success in the coming decade. The largest population growth will be in the 35-to-54 age bracket, especially at the older end. These more sophisticated customers are expected to turn to full-service casual restaurants rather than fast food for better value and satisfaction. Already, it is apparent that casual chains such as Olive Garden, Bennigan's, TGI Friday's, Chili's Grill & Bar, and Applebee's, among others, are benefiting from the trend.

Given the current economic uncertainties, casual restaurants are enjoying a trade-down effect from high-ticket fine-dining establishments. It is well documented that numerous deluxe dining spots around the country are retooling into moderately priced cafes, bistros, and trattorias, implementing less costly menus and decor.

One of the biggest stories in the casual segment is the continuing great growth of Olive Garden, the Italian restaurant concept of Orlando-based General Mills Restaurants Inc. Olive Garden finished its fiscal year with an overall sales boost of 36%, a 2.2% same-store sales gain, and an increase in average unit volume to $2.7 million. What's more, it is maintaining its rapid annual expansion pace of 50 units per year. It had a total of 260 at year end.

Another strong performer is Dallas-based Brinker International Inc., which changed its name from Chili's Inc. earlier this year to emphasize its three-restaurant portfolio and the reputation of its founder, Norman Brinker. Flagship concept Chili's Grill & Bar achieved its seventh consecutive year of same-store sales gains. The company also announced an aggressive strategy to grow its two fledgling concepts, Romano's Macaroni Grill and Regas Grill, along with Chili's. It forecasts that the pair could ultimately grow into chains of 100 or more units. The two existing Romano's are annualizing sales of $3.5 million to $4.5 million, while the 14 Regas Grills average $3.5 million.

San Francisco-based Chevys Mexican Restaurants is attracting attention with its rapid growth. Between 1989 and 1990, its systemwide sales increased 69% from $30 million to $51 million and its units grew from 16 to 24, earning it the number-one position in the *RB* Top 50 Growth Chains. In a comfortably run-down border cantina atmosphere, customers dine on "Fresh Mex" food—everything scratch made. Batches of salsa are prepared hourly and tortillas are baked to order for each table by the "El Machino" contraption in the dining room. It works for a $2.6 million average unit volume.

Another growing young outfit is Tampa, FL-based Outback Steakhouse Inc., which conducted its initial stock offering this spring. Since its founding in 1988, Outback has grown to 34 units in size. It projects 25 more openings each during the next two years, in the Southeast, Southwest, and Midwest. A Down Under themed concept, the dining room is bedecked with Australian bush hats and knives. The menu

Arby's
Roast Beef

One solution to the shortage of prime sites and rising real estate costs is the multi-concept share site with different chains under one roof.

the
Olive Garden
ITALIAN RESTAURANT

One of the fastest-growing chains is General Mills' Olive Garden. It is expanding at a rate of 50 new units per year.

features items such as Crocodile Dundee steak and Alice Springs Chicken. Units average an impressive $2.6 million sales volume, serving dinner only.

NEW VENTURE. Growth prospects in the casual segment have tempted Columbus, OH-based Bob Evans Farms Inc. to venture beyond the 250-plus Bob Evans and Owens family restaurants it operates. It has plans to develop a concept called Cantina del Rio, a full-service restaurant with a Tex-Mex menu priced under $10 and full bar service.

Catering to the new baby boom and growing senior population, Old Country Buffets is carving a successful niche for itself in the all-you-can-eat buffet business. Buffets Inc., its Eden Prairie, MN-based corporate parent, reported its seventh consecutive year of record revenues and earnings in 1991, with net earnings increasing 43%

BATTLE ZONE. The quick-service restaurant segment remains a battle zone of rampant price cutting and virtual saturation.

While most fast feeders have circled their wagons in a defensive posture, PepsiCo restaurants have gone on the warpath. Some 40% of PepsiCo's $2 billion in capital spending over the past two years has gone into Taco Bell, Pizza Hut, and KFC. Second quarter earnings show Taco Bell's operating profit up 19% and same-store sales 7% over the comparable period a year earlier. Sister chain Pizza Hut reported 22% profit growth and 1% higher same-store sales. KFC has yet to match the momentum of the other two chains, however.

Chains are jumping on the bandwagon of "value pricing," or permanently reducing selective menu item prices. Taco Bell, which fathered the trend, has used its three-tier value menu of 59¢, 79¢, and 99¢ items successfully for the past several years while rivals struggle. Wendy's similar Super Value menu has also been a success for the chain. McDonald's followed suit with a value-priced menu earlier this year that the company says is already helping slow its long slump in sales and traffic.

Not content to watch rivals match its value menu with their own versions, Taco Bell has seized the low ground again with its new Fiesta Menu of snack-sized Mexican items priced at 39¢.

Mastery of the home delivery market is one of the objectives for Wichita, KS-based Pizza Hut these days. It is a direct assault on Ann Arbor, MI-based Domino's Pizza, the nation's leading delivery chain. For its part, Domino's has struggled with profitability in recent years. Earnings in 1990 amounted to only $5.4 million on sales of $2.65 billion.

This year, Domino's founder and owner Tom Monaghan turned over day to day management of the chain to president Dave Black and his executive team, in order to to devote more time to personal causes. One of the first executive moves was to review and switch Domino's advertising agency account.

In the hamburger segment, all eyes are watching McDonald's for signs of improvement. According to stock analysts, McDonald's second quarter results show a slowing of the slump in domestic company same-store sales, which have been flat or negative for more than two years. Apparently, modest progress is beginning as a result of new products, value pricing, and reductions in the investment cost of new restaurants.

McDonald's has introduced numerous new products in test markets around the country, and prominent national promotional items such as Breakfast Burritos and Chicken Fajitas as well. However, the company appears to be in no hurry to roll out its long-awaited McDonald's Pizza, currently in test in about 450 units. Although the company has made noises about creating a dinner menu, there's no evidence of it yet.

Times are tough at Rocky Mount, NC-based Hardee's Food Systems Inc. Buffeted by two consecutive quarterly losses, Hardee's replaced CEO William Prather with Robert Autry, formerly president of Hardee's supply division. Previous signs of trouble with Hardee's were layoffs and a staff reorganization.

In contrast, Dublin, OH-based Wendy's International scored its highest quarterly profits in five years with a 21% hike in net income in the second quarter.

FLIP SIDE. Bankruptcy woes in the '90s are the flip side of the LBO boom of the '80s. Jefferson, LA-based Al Copeland Enterprises Inc., parent of Popeyes Famous Fried Chicken, choked on the $392 million debt it took on in the 1989 acquisition of Church's Chicken.

At press time, Copeland had proposed a plan to repay creditors and emerge from Chapter 11 protection. According to recently published reports, it seems that founder Alvin Copeland would lose control of the chain to creditors. This would thwart his goal of making a chicken megachain of Popeyes and Church's.**–James Scarpa**

24TH ANNUAL RGI

RETAIL

Sale banners flutter in store windows across the country, but they lure few spenders. Vacancies abound in strip centers and regional shopping malls. Surviving tenants demand and receive rent abatement. The retail slump has had its inevitable impact on store foodservice. According to RGI figures, the retail foodservice market had real sales growth of 1.8% in 1991 compared to 1990. Prospects for 1991-1996 call for 1.7% real compound annual sales growth.

However, there are bright spots today, such as the "value retailing" niche inhabited by low margin, high-volume price slashers such as Wal-Mart Stores, Kmart, and the Mills outlet malls. These players realize that foodservice can be a big advantage in this difficult climate.

"Good food is one reason why people stay an average of five to six hours in our malls," says Carole Asher, assistant director of foodservice of Washington, DC-based Western Development Corp., parent of the Mills malls.

"Dining well is part of a well-rounded shopping experience at Nordstrom, and a benefit to our bottom line," says John Clem, food and beverage manager for the Midwest division of Nordstrom department stores.

But even top-flight food can't do it all. Gaviidae Common, an upscale, five-level vertical shopping mall in Minneapolis, opened last year with a showcase foodservice attraction—a 20,000-sq.-ft., multi-concept complex designed and managed by noted local firm D'Amico + Partners. However, the stores and restaurants aren't drawing the sales projected. "There's nothing wrong with the merchandise. There just aren't any shoppers these days," says a merchant.

SUCCESS STORY. The leading success story in American retailing today is Wal-Mart Stores, based in Bentonville, AR. Last year, Wal-Mart passed former American retailing icon Sears Roebuck and Co. as the nation's leading retailer. Its sales increased from $8.5 billion in 1985 to $33 billion in 1991.

In addition to brand-name consumer goods at deep discount, Wal-Mart also offers low-priced, quick-service in-store restaurants. For example, a July Meal Deal in a northern Illinois store offered a Super Sub sandwich and regular soft drink for $2.18. This is in addition to regular offerings such as an 83¢ hot dog and $1.42 hamburger.

Troy, MI-based Kmart, which has also edged Sears to become the nation's second-largest retailer, is expanding a joint venture test it began last year with Little Caesars. In a restaurant-retail collaboration of unprecedented scope, Kmart will open Little Caesars outlets in 400 of its 2,333 retail stores across the U.S. over the next year. The pizza outlets, seating 12 to 16, will vend breakfast pizzas, danish, and muffins in the morning, then move into branded Little Caesars items, as well as sandwiches and ice cream.

In a modest four-store test, Sears and TCBY Enterprises are testing the receptivity of shoppers to frozen yogurt.

The leading department store chains have made large investments in foodservice both as a customer amenity and profit center. A case in point is the new Nordstrom store near Chicago in suburban Oak Brook. According to food &

THE RETAIL MARKET
FOODSERVICE SALES

	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
General Merchandise Stores[1]	9,930	1,142	445	1.8	-2.8	1,190	464	4.2	0.0	1,536	5.2	1.0
Drug & Proprietary	5,700	347	135	3.5	-1.2	362	141	4.2	0.0	455	4.7	0.5
Convenience Stores[2]	60,000	6,153	2,154	6.8	2.0	6,572	2,300	6.8	2.5	8,913	6.3	2.0
Other Specialized Retail Stores[3]	16,420	3,584	1,434	5.0	0.3	3,791	1,516	5.8	1.5	5,016	5.8	1.5
Total	92,050	11,226	4,168	5.6	0.8	11,915	4,421	6.1	1.8	15,920	6.0	1.7

[1] Includes department, variety, and miscellaneous general merchandise stores.
[2] Includes primarily gasoline stations and traditional c-stores with foodservice.
[3] Includes supermarket restaurants, specialty food shops (such as cheese stores), and miscellaneous retailers such as liquor and book stores.
Revisions based on 1987 Census of Retail Trade.

Little Caesars Pizza Station
SUBS
PASTA
PIZZA

In a restaurant-retail collaboration of unprecedented scope, Kmart will open Little Caesars outlets in 400 of its 2,333 stores across the U.S. next year.

beverage manager Clem, the three restaurants have helped Nordstrom make a splash in its new market. The Cafe offers sandwiches, salads, and entrees, including a Blue Plate Special of soup, salad, and half a sandwich, for $4.95. Nordstrom's Select Clam Chowder and its 25¢ bottomless cup of coffee are company signatures.

The Espresso Bar, strategically located between double entrance doors, greets customers with enticing aromas of custom-blended varietal coffees. It also offers freshly made Italian fruit granite. The Pub is an interpretation of a London pub, with bangers, pasties, and London Broil priced $6 to $9. The Garden Court is Nordstrom's "destination restaurant," says Clem, specializing in seafood, salads, and light entrees, $7 to $14.

Western Development Corp.'s Mills outlet mall concept is one of the hottest ventures in retailing in recent years. The company's Sawgrass Mills outlet mall near Ft. Lauderdale, FL, attracted 12 million shoppers last year. Mills malls offer name-brand shopping at rock bottom prices, in an atmosphere of fun and entertainment. A typical Mills mall is a vast collection of 200 or more manufacturer outlets and off-price shops and value retailers, plus themed food courts and entertainment areas, all in a unique architectural package.

A case in point is Gurnee Mills, which debuted north of Chicago during the summer. The 2.2 million-sq.-ft., 230-store mall includes in its tenant mix two themed food courts, each with 20 fast feeders and 500 seats. One is a 1950s drive-in theme called Dine-O-Rama. Tenants include McDonald's, Dairy Queen, Burrito Cabana, Great Steak & Fry Company, and Nathan's Famous. The other court is Lake County Fare, which strives for the Americana feel reminiscent of the county fairs of the heartland. The tenants include Freshens Yogurt, Boardwalk Fries, Burger King, Sbarro, A&W, Just Turkey, and Japan Cafe. There is a full-service Ruby Tuesday restaurant elsewhere in the mall as well.

C-STORES. The convenience-store segment is still a troubled one. Players suffer from a downscale image, particularly in foodservice. The bankruptcies of giant players 7-Eleven and Circle K have particularly hurt the industry's luster. However, some chains are implementing upgraded merchandise and decor mixes.

Dallas-based Southland Corp., parent of 7-Eleven, emerged from Chapter 11 bankruptcy protection earlier this year. The restructuring plan centered on the sale of 70% of the chain to a pair of Japanese concerns, Ito-Yokado Co. and 7-Eleven Japan, for $430 million cash. With the cash infusion and reduced debt load, the company expects to focus more attention on foodservice. This summer, a promotional tie-in with two PepsiCo Inc. brands, Pizza Hut and Pepsi-Cola, built store traffic and increased soft drink sales. Purchasers of a 12-pack of Pepsi at 7-Eleven received a coupon good for a free Personal Pan Pizza at Pizza Hut.

Archrival Circle K, based in Phoenix, has been struggling since its May 1990 bankruptcy to file a plan of reorganization. Hindering its progress have been squabbles among unsecured creditors, bondholders, and lenders seeking preference for their claims.

Oil company convenience marts are the exception to the c-store slump. They have fared better due to their high traffic locations and the good brand names and deep pockets of their parent companies. Chicago-based Amoco Corp. is testing Split Second, a convenience mart that offers upgraded food and merchandise. The test currently numbers four stores in the Tampa market with a fifth under construction. Amoco hopes Split Second will be a bonafide profit center capable of drawing traffic from restaurants and supermarkets, not just an adjunct to gasoline sales. It is sized roughly 4,000 sq. ft., comparable to freestanding c-stores. Offerings include deli food, fresh ground coffee, cinnamon rolls and doughnuts, hot dogs, pizzas, sandwiches, soups, garden salads, and yogurt.

Also out to upgrade food offerings is Houston, TX-based National Convenience Stores Inc. (NCS), parent of the 1,000-plus unit Stop N Go chain. An NCS test of Pizza Hut Personal Pan Pizzas and Mrs. Fields cookies have scored double-digit sales increases in five Stop N Go stores in Houston. They are prepared in 200 sq.-ft. modular units in stores that require little remodeling and expenditure.

"Sales have exceeded our expectations, and the profit margins are even better than on our standard merchandise," said V.H. Van Horn, NCS president and CEO. If the branded products test successfully, they may be added to NCS's foodservice program.

SUPER SALES. It's no secret that supermarket prepared foods are stealing market share from restaurants in some markets. Supermarket prepared foods to go grew from $7 billion in 1987 to more than $12 billion today, toward a projected $15 billion in 1994, according to *Supermarket Business* magazine. **-J.S.**

24TH ANNUAL RGI

HOTEL/MOTEL

The resounding thud heard throughout the hotel industry in the first quarter of 1991 was U.S. occupancy rates hitting the lowest first-quarter levels in 20 years—55.8%. According to Coopers & Lybrand's *Forecasts and Analysis for the Hospitality Industry*, falling occupancies and flat room rates are causing losses within the hotel industry to escalate. However, there are pockets of prosperity, and a recovery, albeit a weak one, is projected by Coopers & Lybrand for 1993.

While the '80s were a decade of segmentation, the '90s will be a decade of conversion and reaffiliation. Many survivors of the current retrenchment will do so by converting properties to another brand, or by striking relationships with partners—particularly foreign investors—with deep pockets. The dramatic drop in room sales makes food and beverage an even more important asset.

OPPORTUNITIES. Where there are challenges, there are also opportunities. Hotel food and beverage operations tended to mirror what Coopers & Lybrand describes as the industry trend of "shifting from development to internal rebuilding and strengthening."

Ariel Suarez, director of food and beverage operations at Ramada Renaissance Hotel Techworld at the Convention Center in Washington, DC, claims he spends much of his energies implementing a balancing act between value and price. The seesaw ride is especially noticeable in the catering department, which accounts for 65%-75% of total food and beverage sales at the 800-room hotel.

Meeting planners are squeezing the most value per dollar as possible. "In order to meet customers' budgets and get their business, we gear our menus specifically to each group," Suarez says. For example, at a recent convention for clinical chemists, the emphasis was on cholesterol-free meals. Special menus are not the only selling feature. Meeting planners are looking for proposals that satisfy budget constraints in an innovative manner. "Several weeks ago, we hosted the Information and Libraries Council, a government group that wanted a three-course luncheon priced at $14," recalls Suarez. The solution was a chicken and Caesar salad lunch entree developed specially for this group.

THE $1 DIFFERENCE. "Everything literally adds up. The difference between your menu and a competitor's may only be $1, which does not sound like a lot of money. But when the customer is planning to feed 1,200 it adds up," Suarez says.

Suarez's eye to the bottom line is not limited to catering. Last April, prices on the restaurant menus were scaled back approximately 15%. The strategy may be working. While revenues are down, profits are up.

At the Ramada Renaissance Hotel Tysons Corner, VA, special promotions attract both new and repeat customers. "All of the promotions suffered a drop in business that is now gradually rebuilding," says Joachim Ramsey, director of food and beverage and assistant general manager of the 404-room hotel. A "Champagne Wishes and Chocolate Kisses" package offered during February included a bottle of Champagne, a dozen roses, and breakfast for a $95 rate.

"As part of our recession-relief program, we also offer a full breakfast—a $7.50 value—for those customers who book a room at the corporate rate. The special deal has been a great success when booking meeting business," says Ramsey. In addition, the hotel has continued its General Manager's cocktail reception on Tuesday evenings, when hotel guests and meeting attendees are invited to mix, mingle, and offer their suggestions to the general manager.

While weekend packages are not a new idea, the Ritz-Carlton Laguna Niguel puts a new spin on this traditional hotel promotion. Henry E. Schielein, vice president and

THE HOTEL/MOTEL MARKET
FOODSERVICE SALES

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				Nominal	Real			Nominal	Real		Nominal	Real
Hotels	15,800	12,443	4,977	5.0	0.3	12,928	5,171	3.9	-0.3	17,023	5.7	1.4
Motels[1]	10,300	2,428	971	6.2	1.5	2,567	1,027	5.7	1.5	3,480	6.3	2.0
Total	26,100	14,871	5,948	5.2	0.5	15,495	6,198	4.2	0.0	20,503	5.8	1.5

[1] Includes motels and motor hotels.

The Ramada Renaissance Hotel-Techworld lobby and Marco Polo lounge feature cocktails and nightly entertainment.

general manager of the 393-room luxury resort, speaks enthusiastically of the hotel's special programs. The Stars & Stripes Celebration includes two or three nights in a Garden/Courtyard room, a bottle of wine on arrival, a Fourth of July picnic basket lunch for two on the beach, children's sand toys, use of the fitness center, and complimentary parking.

The menu of The Grand Cafe in The Grand Bay Hotel in Coconut Grove, FL, serves as a centerpiece for special promotions. "We encourage the chef to focus his energies on an area where he excels," explains Terry Zarikian, director of product development for Grand Bay Hotels. As an example of this strategy, Zarikian points to an upcoming promotion of smoked salmon. Possible menu items include a fennel smoked salmon with saffron, sugar-cane cured smoked salmon with rum, and black Chinese tea smoked salmon with five spices. The Grand Cafe will also sponsor an end of the year promotion highlighting the Oriental influence in the Caribbean.

NICHE MARKETING. Mark Shuda, vice president, food and beverage for Doral Hotels & Resorts Management Corp., believes "any company that is building hotel restaurants as monuments to last forever" is fooling itself. Shuda insists that when it comes to restaurant concepts within a hotel, operators must be able "to go to your owners and say that the concept will offer a payback in less than three years and will make a profit."

No easy task in a recessionary economy, admits Shuda. However, the restaurants within Doral's 10 properties (ranging from a mega golf resort to small boutique hotels, from a beachfront resort to a conference center) make money by finding a niche and capitalizing on it.

As an example, Shuda points to the success of Saturnia cuisine, a new concept that counts fat points rather than calories. Saturnia cuisine, developed under the guidelines of the American Heart Association at Doral's Saturnia Spa in Miami, was adapted to a freestanding concept in the Doral Park Avenue Hotel in New York City. "We were very pleased at the tremendous response we have had to the Saturnia restaurant since it opened in New York City last year," says Shuda.

Shuda points out that the Saturnia cuisine can also be adapted to other restaurant concepts throughout the Doral system. For example, at the Provare restaurants (a trattoria concept), the menus feature Saturnia's individual pizzas. "People sometimes associate spa food as Spartan and that is not true in this case. Saturnia cuisine is straightforward, healthy food. We view it as an added amenity to our customer," says Shuda.

The Rihga Royal Hotel, the deluxe 475-suite hotel in New York City, capitalizes on service as a point of differentiation. "We try to achieve an optimum comfort level in the hotel," says John Dorman, general manager. Opened just a year ago, The Rihga is managed by RIHGA International U.S.A. Inc, the U.S. subsidiary of The Royal Hotel Ltd., an Osaka, Japan-based hotel company. As an example, Dorman points to the hotel's in-suite dining service. "Each suite has a dining room table. When a guest orders a meal in his room, it is served at a table set with fine linen and fresh flowers."

In order to facilitate breakfast orders, one elevator was converted to act as a "flying kitchen." An on-board computer registers the orders placed to the operator and a continental breakfast is at the door in 10 minutes. "The flying kitchen was an expensive proposition but a necessity to meet our customers' needs," says Dorman.

BUDGET GROWTH. Upscale chains are not the only ones concentrating on promotional efforts. The growth that has occurred in the hotel industry has been in the budget/economy end of the market.

This summer Choice Hotels International offered a free $1,000 coupon book to guests of its franchised Comfort, Quality, Clarion, Sleep, Rodeway, Econo Lodge, and Friendship hotels. Coupons tied in with major restaurant companies. Bob Gilbert, vice president of worldwide sales, for the Silver Springs, MD-based chain, pronounces the coupon book a "marketing success." Gilbert estimates 3.5 million coupon books were distributed.

OPTING OUT. Some hotel companies are opting out of foodservice altogether and turning their restaurants over to management companies such as Grace Hotel Services Corp. Based in Denver, CO, Grace Hotel Services Corp. leases and operates restaurants and related foodservice facilities in hotel properties that have a minimum of 4,000 sq. ft. of banquet space. Currently, the company operates the foodservice facilities in two Embassy Suites in Los Angeles and La Jolla, CA, and foodservice facilities in two hotels in New York City. Grace plans to have 12 restaurants in its portfolio by the end of the year.—**Denise M. Brennan**

24TH ANNUAL RGI

LEISURE

Recession-weary travelers are avoiding high priced airline and resort vacations and choosing less expensive leisure activities closer to home, such as national parks, baseball stadiums, beaches, and amusement parks. Although the number of vacation trips taken has remained about the same in recent years, their duration has shrunk, following the decline in disposable income. The average vacation has dropped from an estimated 5.7 nights in 1985 to 4.1 in 1990, according to the U.S. Travel Data Center, Washington, DC.

"People aren't straying very far this year," says John Blazon, food and beverage director of the Ford's Colony Country Club in Williamsburg, VA, which has drawn strong business from the nation's capital this summer.

CRUISING. In Chicago, Lake Michigan cruise boats are doing a booming business offering luxurious bu[illegible]elatively affordable dining cruises. The notable new[illegible] the scene is the $5 million, 800-passenger *Odyss*[illegible]ers sample dishes such as scallops in puff pastry, pr[illegible]... the vessel's galle[illegible] choose from a 21-item wine list.

The sporting world is another growth market for leisure contractors. Professional sports expansion leads to the construction of new ballparks and arenas and the remodeling of old ones. "It offers opportunities for us to add upgraded amenities such as food courts and catering," says Matthew Bauer of Buffalo, NY-based Sportservice Corp.

Philadelphia-based ARA Leisure Services Division has benefited from "wonderful" baseball attendance this year," according to executive vice president Joe Pistone. In newer stadiums, ARA is implementing its Images series of food court stations. These include Itza Pizza, Grille Works, Sausage Haus, Gretel's Bakery, and Beers of the World.

Ballpark food has come a long way from just hot dogs and spuds, especially in the new Comiskey Park in Chicago. Grilled sandwich offerings include bratwurst, sausage, [illegible]d chicken, and Italian beef and pork chop sandwiches. Ethnic choices include fajitas, super tacos, and churros.

Contractors are increasingly implementing name-brand commercial restaurant concepts. One of the leaders is Marriott Sports and Entertainment, a newly organized business unit of Washington, DC-based Marriott Host. At Dodger Stadium in Los Angeles, Marriott has assembled 18 downscaled fast-food outlets. They represent chains such as Carl's Jr., Pizza Hut, TCBY, and Taco Bell. Another Marriott account, the Salt Palace in Salt Lake City, will introduce Hardee's and Mrs. Fields Cookie units.

Also on the branding beat, chains such as Kentucky Fried Chicken, Pizza Hut, Taco Bell, Dairy Queen, and TCBY are experimenting with mobile carts in leisure accounts. KFC's effort is a 42-ft. mobile trailer restaurant. TCBY has placed frozen yogurt outlets in sp[illegible]s venues.

Still, it seems that the best fun at the old ballpark takes place in private season ticket holder clubs. The Stadium Club at Chicago's Wrigley Field, managed by The Levy Restaurants, is a year-round restaurant, lounge, and catering facility that also offers bountiful game-day buffets.

DISNEY DOWNTURN. Walt Disney Co. formerly was a perennial darling of Wall Street tipsters. However, sagging attendance at its theme parks, resorts, and other divisions has contributed to a downturn. In the third quarter, overall company net income declined 31%. Disney theme parks and resorts suffered a decrease of 12% in revenues and 39% in operating profit. Nevertheless, Disney is still making innovative plans. Its WESCOT Center is a proposed $3 billion futuristic park next door to Disneyland in Anaheim, CA. At Walt Disney/MGM Studios in Florida, the hot new restaurant attraction is Dine-In Theater, a dimly lighted soundstage fashioned to look like a 1950s drive-in.

National parks report good summer business. ARA Leisure Services is adding its Images food court package to park facilities at Lake Powell, AZ, and Ellis Island, NY.

What will be the next fa[illegible]y leisure attraction? Would you believe gambling? Several hotel companies are reportedly examining legalized riverboat gambling.—**James Scarpa**

THE LEISURE MARKET
FOODSERVICE SALES

	1990 UNITS	1990 SALES¹ ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Leisure Market	30,550	7,981	2,793	7.9	3.0	8,516	2,981	6.7	2.4	12,126	7.3	3.0

[1] Includes theme parks, stadiums, arenas, tracks, theaters, camps, clubs, bowling lanes, etc.

24TH ANNUAL RGI

BUSINESS & INDUSTRY

Like many of the customers it serves, the B&I segment is on a diet. But it isn't a doctor who suggests the low-fat regimen for corporate foodservice; because of the economic fallout of the '80s, dining directors are having to follow a lean-and-mean prescription. As one succinctly put it: "The fat's gone. Now we're at the bone."

In corporate America, consolidation and amalgamation are the issues of the '90s. In the B&I segment, dealing with cutbacks while maintaining the perception of value is the course most foodservice managers are faced with. Corporate foodservice directors are continuing to see their subsidies dwindle. But they are also having "to convince management that employee-dining programs are a benefit," says Claudia O'Mahoney, executive vice president of the Society for Foodservice Management in Louisville, KY. "If companies see them as a nuisance, dining programs will be difficult to maintain."

Complicating the necessity to streamline, B&I directors also are experiencing keen competition from the commercial foodservice sector, and customer demand to provide more services—for less cost.

To cope, many B&I operators are downsizing. Many are having to scale back labor costs and are switching to self-service-style cafeterias. For some, reducing the number of menu items is one way to offset costs. For others, there is a push to create external sources of income, such as catering and take-out services. "For most corporate foodservice directors now," says Lowell Gutzler, president of corporate services west for Marriott Management Services, "The magic words are break even."

Many in the segment voice concern that B&I no longer enjoys a captive customer base. "There is a realization in corporate dining that folks do not have to eat in the cafeteria. The competition is very keen now. People have choices," says Neil Reyer, vice president of restaurant and travel management for NYC-based Chemical Bank.

"To keep employees in the dining room we have to give our cafeterias more of a retail image," says Reyer. Joe Byrum, president and COO of Morrison's Custom Management, in Mobile, AL, agrees. "The entire B&I market has to become more retail-oriented," says Byrum.

BRANDING. To keep employees in the cafeteria, Morrison's philosophy is to upgrade through branding. "We will install 75 total brand concepts in the next few years," says Byrum.

By sheer size—Morrison's manages 128 B&I contracts in 40 states—the company can afford the advantage of a Pizza Hut or TCBY unit in its operations. But for others, operating with national brands is neither viable nor cost-efficient.

"It's expensive to bring a Taco Bell into your operation," notes Reyer. The solution for him, as for many self-operating B&I foodservice departments, was to "create our own brands—to come up with our own signature items," he says.

Reyer developed a pizza that he sells in Chemical's dining rooms at a competitive price. In the last eight months he's also rolled out what he calls "frigid favorites," such as meatloaf and fried chicken—"all the things people like to eat cold," he adds. But, he's kept his average check ($4) in line and has not raised prices since 1988.

"We have had to change either our mode of operation or the number of menu items we offer," says Julie Flik, executive vice president of

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THE BUSINESS & INDUSTRY MARKET
FOODSERVICE SALES

	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Business & Industry Internal Feeding	N/A	2,726	1,363	4.9	0.2	2,841	1,345	4.2	0.0	3,495	4.2	0.0
Contract	N/A	14,579	7,289	6.9	2.1	15,371	7,274	5.4	1.2	20,606	6.0	1.8
Total	16,450	17,305	8,652	6.6	1.8	18,212	8,619	5.2	1.0	24,101	5.8	1.5

Note that sales estimates have been adjusted to reflect equivalent consumer expenditures.
Estimates exclude vending operations.
Estimates exclude alcoholic beverages.

24TH ANNUAL B&I

BUSINESS & INDUSTRY

Marriott Management Services operates B&I accounts across the country.

Flik International Corp., a foodservice management company in Mamaroneck, NY.

Gus Gregory, president of Total Foodservice Directions, a contract management company in Miami, FL, opted for alternative portion sizes to streamline his costs and meet customer demand. "I've implemented blue-plate specials over the last year and have started to serve half-sandwich portions with soup or salad."

Dwindling subsidies are a growing reality in the B&I segment. Chemical's Reyer has seen the subsidies shrink from $2.3 million in 1986 to $85,000 in 1991 for the six cafeterias he runs. As a result, he's reduced his staff of 20[illegible] from five years ago to 126 today. For Reyer, a shift to self-service was the easiest way to reduce labor costs. "It's a lot cheaper to let people help themselves," he says.

"We had our big layoffs three and four years ago," says William Lembach, director of foodservice for Kodak Corp. in Rochester, NY. Like Reyer, Lembach has seen his subsidies drop—by $6 million since 1988. "We went to self-serve several years ago," says Lembach, who heads up the largest self-operating corporate dining program in America, serving about 50,000 meals a day at the company's headquarters.

Today, most of his efforts are concentrated on garnering new business while meeting demands for convenience.

OUTREACH. Although Lembach can boast an 80% participation rate for the company cafeterias (one of the highest in the industry, he says), he's brought food for sale into the manufacturing plant with mobile peddler carts. "In this environment, without a lot of additional customers," says Lembach, "we've had to bring our services to the employees we were not reaching." He also implemented a take-out service for employees.

To garner additional revenue, Reyer has looked to catering, to allowing nonbank employees into the company's cafeteria facilities, and to an employee take-out service. "We have one edge on the commercial competition, and that's convenience," says Reyer.

Byrum, too, has looked to catering, largely through acquisition. "We see a need for more upscale catering, whether on or off premises," he says. "A lot of our accounts were turning to outside caterers. We have been enhancing our culinary expertise and have purchased a few upscale caterers—Parties Plus and City Events, both in California—and now we capture more and more of that market," he adds.

While most B&I directors are scrambling to meet the more-for-less dictum that characterizes the segment now, for some the recession has actually brought good news. Lembach says his customer counts "are going up, and our revenue flow is much more than we budgeted for. Employees who used to go out for lunch are now staying in the facility."

Countering the scenario of vastly reduced corporate subsidies that have traditionally sustained employee services programs, Byrum says he sees "more owners coming back to the subsidy situation." He also says Morrison's has been negotiating "a lot more fee accounts vs. profit and loss," which, he explains, "puts the risk in the hands of the employer. It also affords them the control to set service standards." Byrum adds that his company is back on track again after a flat five-year period and is now opening 25 to 30 B&I accounts a year.

HEALTH AND ENVIRONMENT. Lembach saw opportunity in Kodak employees' concerns about environmental issues. "We implemented a coffee mug campaign to reduce disposable waste. By now, about half of our 43,000 employees have bought the mug. We've not only shown that we are environmentally aware," adds Lembach, "we've reduced our paper cost by 10%." This past summer he instituted another mug campaign for cold drinks.

Unlike self-operated B&I enterprises, [illegible] management services say they follow their clients when it [illegible] to the environment but that overall there seems to be a general trend toward more recycling and disposable waste reduction. Some are even working with food banks.

Says Flik: "We tend to go with our customers when it comes to dealing with the environment."—**Diane Kochilas**

24TH ANNUAL RGI

HEALTH CARE

Health-care foodservice is going through a time of reevaluation and flux. Many institutions are rethinking their foodservice strategies in light of the continued effects of reduced budgets and shortened patient stays. Health-care foodservice directors are aiming to stretch their dollars, maintain or reduce labor costs, and search out new sources of revenue beyond patient feeding. Basically, they are having to change the very way they do business in order to survive in today's environment.

"Business as usual no longer works," says Michael Giuffrida, executive director for the National Association of Health-Care Foodservice Management, in Washington, DC. "Now, foodservice directors have to be entrepreneurs."

"The predominant issue now is being able to do more with less," says Tony Alibrio, division president, health-care and food management services, at Marriott Corp. "Clients are crying for more creativity, more variety, and improved levels of service. But we have to manage with less employees and less money. We are readdressing the basics of the business," he adds.

"Today, health-care foodservice means learning to run a business within a business," says Giuffrida.

IMAGE SAVVY. More and more, foodservice administrators are realizing the important role their services can play in patients' perception of the overall hospital experience.

"There is a trend right now toward marketing the foodservice department, making it a part of the whole health-care system," says Giuffrida. "Hospitals have to be conscious of their image, and food is one of the most crucial components. Most doctors are affiliated with more than one hospital," explains Giuffrida. "Food is a factor that affects the decision, mainly of nonsubsidized patients, in terms of where to go. Patients aren't just eating what's put in front of them anymore."

"Foodservice is a clear and distinct measurement in the eyes of a patient as to the quality of the total health-care facility," concurs Marriott's Alibrio.

ENHANCING SERVICES. To strengthen their overall image and improve services, health-care administrators are turning to a number of innovative programs.

Marriott is increasingly employing chefs "as the lead production person in the hospital kitchen," says Alibrio.

At Columbia Presbyterian Hospital in New York City, Marriott kicked off a V.I.P. program in the hospital's newly built McKeen Pavillion, a 40-room addition that is "like a medical hotel" and for which Marriott developed a menu of gourmet offerings, explains Alibrio.

Some hospitals are including wine on their patient menus. At the 300-bed Mt. Carmel East Hospital in Columbus, OH, director of nutritional services Alice Pollard implemented a program at the hospital's new birthing center called Suite Service for Two, a celebratory menu for new parents that includes sparkling grape juice, soup, salad, a choice of three entrees, and dessert.

There is also a move in the health-care segment to widen the variety of services offered, from diet and nutritional counseling to housekeeping.

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THE HEALTH CARE MARKET

FOODSERVICE SALES

	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Hospitals-Internal	6,730	5,203	2,510	1.9	-0.4	5,211	821	0.2	-1.8	5,387	0.7	-1.5
Nursing Homes-Internal	19,600	3,480	1,831	3.2	0.9	3,589	3,579	3.2	1.1	4,206	3.2	1.0
Hospitals and Nursing Homes Contract	(1)	2,564	1,282	7.9	5.4	2,779	1,390	8.4	6.3	3,955	7.3	5.0
Total	26,330	11,247	5,623	3.6	1.3	11,579	5,790	4.1	0.9	13,548	3.2	1.0

(1) Contract totals are included in the totals for hospitals and nursing homes.
Hospitals include long-term and short-term; public, private, and military; general as well as psychiatric and other special institutions.
Note that sales estimates have been adjusted to reflect equivalent consumer expenditures. Estimates exclude alcoholic beverages.

24TH ANNUAL RGI

HEALTH CARE

ARA Services is revamping menus at its health-care accounts to reflect the shifting ethnic concentrations and to offer more variety in cafeterias and on patient trays.

Marriott changed the name of its health-care group to the Health-Care Food and Nutrition Services division in order to reflect the broadened role Alibrio says health-care foodservice must play.

There is also a move toward addressing patients' individual food and nutrition needs and toward understanding the interplay between diet and medicine.

At the University of Minnesota Hospital and Clinic in Minneapolis, Edith Jones, director of nutritional services, designed a patient menu that includes dozens of meal combinations. There are 13 menu groups to choose from—from pediatric and vegetarian to low-sodium and calorie-restricted diets. Patients have a basic menu at their bedside and circle their choices for each meal.

Constance B. Girard-diCarlo, president of health-care and nutritional services for Philadelphia-based ARA Services, says ARA is addressing ethnic needs more, too. At Mt. Sinai Hospital in New York City, whose foodservice ARA took over in July, Girard-diCarlo is revamping the menu to reflect the hospital's large Hispanic population. At a Chicago Hospital with a large Polish patient population, ARA also revamped its menu offerings to reflect ethnic needs.

"It goes beyond giving patients the foods they are used to," says Giuffrida. "If patients like the food they're eating, in many instances they tend to respond better to their therapy or medication."

BEYOND PATIENTS. While patient feeding is still the premiere function, there is a move in the segment toward marketing to hospitals' nonpatient populations as well.

"You can have the best patient food in the world, but if the cafeteria stinks you're missing the boat," sums up Giuffrida.

From bagel stands to branding, health-care foodservice is scurrying to attract the doctors, nurses, support staff, and visitors who make up the nonpatient population in hospitals.

"We're giving our operations a facelift," says Keith O'Neill, an independent contractor who directs the food and nutritional services for Methodist Hospital in Memphis, TN. "We're marketing our facilities as a restaurant and are considering installing a rotisserie in the cafeteria." By raising the average check from $2 to $2.10, O'Neill increased cafeteria sales by 9% in 1991.

The trend toward enhanced outpatient services continues as foodservice directors look for ways to increase revenues. Meals on wheels and senior citizen dining programs are gaining ground, especially in light of reduced hospital occupancy rates and shortened stays. Some health-care facilities are turning to take-out services for employees.

Cooperative buying groups are growing in the health-care segment. Foodservice directors are learning their way more deftly around government bureaucracies and are taking more advantage of the USDA's commodities program.

KITCHENLESS FOODSERVICE. Perhaps one of the most radical cost-cutting efforts was implemented this past June at Cedar Sinai Hospital in Los Angeles. Foodservice director Jerry Berkman closed his kitchen. Acting upon what he sees as the continued shortage of skilled kitchen labor coupled with consumers' increasingly sophisticated palates, Berkman turned to the retail sector, namely frozen meals that require little in the way of culinary knowledge and space to prepare. Although he was reluctant to go into details about his "kitchenless" foodservice program, an industry source familiar with it says he has turned to "100% convenience products—basically frozen and cook-chill dishes."

At Methodist Hospital, O'Neill reduced the number of offerings on his patient menu. He implemented a chef's daily special and gives it special emphasis on the menu in an effort "to lure patients to that choice. We're still giving our customers the perception of variety, but by reducing the number of items we offered we improved timeliness on the service line and decreased costs and waste.

"The nucleus that drives cost is the menu," says O'Neill. "Everyone is striving to downscale without hurting the perception of quality."**–D.K.**

24TH ANNUAL RGI

STUDENT

Foodservice directors in the student market continue to be faced with the mandate to do more with less. Compounding that challenge is the host of problems inherent in education right now: declining student enrollments, slashed federal funding, and burdening paperwork. In both private and public education, the money crunch is becoming more and more acute. "State institutions in the Southeast are facing tremendous financial pressures," says Norm Hill, director of foodservice for the University of Tennessee, Knoxville. "Parts of the university are totally dependent on state money," explains Hill, "but the auxiliary departments such as foodservice have to generate their own income. That puts pressure on us to cover costs we didn't have to deal with in the past," he notes.

For private universities, the crunch is just as severe. Concurs Peg Lacey, director of dining services at Cornell University in Ithaca, NY: "We are being asked to provide the same services for less, and to help fund programs that aren't dining-related," she says.

At the University of California at San Diego, director of dining services Brian Klippel says that his department is having to play a "much greater role as an income source."

In public elementary and high schools, money shortages are just as acute and the paperwork necessary to garner whatever federal and state funds exist is often staggering.

Kevin Dando, government affairs specialist for the 67,000-member American School Food Service Association (ASFSA), is concerned about the cuts in child nutrition programs. "We would be in a much better position if we didn't have to be on guard against cuts," he says.

Annette Bomar, director of school foodservice for the state of Georgia, says that government cutbacks in 1991 "effectively took away money from per-meal reimbursements for three million state students."

THE FOOD. Monetary crises aside, "the single largest issue facing school dining directors now," says Dando, "is the nutritional quality of the meals." The ASFS endorsed the dietary guidelines issued recently by the USDA and also endorsed a paper on school nutrition written under the auspices of the Center for Science in the Public Interest, a Washington, DC-based lobbying group.

Breakfast at school is a big issue in public elementary and high schools. In 1990, there were 24.4 million school lunches served in 90,000 public schools across the country. By comparison, breakfasts were served in only 40,000 schools. Citing an extensive study by researchers at Tufts University, which concludes that eating breakfast at school reduces tardiness and increases test scores, Dando says, "It would be to everyone's advantage if breakfast were available in every school nationwide."

At the university level, food is also an issue. Says Tim Tenon, who works for the Wood Co., a contract management firm, as foodservice director of cash operations at Lehigh University in Pennsylvania,

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THE STUDENT MARKET

FOODSERVICE SALES

	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Primary & Secondary Schools-Internal	15,575	7,990	3,995	2.2	-0.1	8,112	4,056	1.5	-0.5	9,247	2.7	-1.5
Primary & Secondary Schools-Contract	(1)	1,152	576	8.0	5.6	1,266	633	9.9	7.8	1,962	9.2	4.8
Colleges/Universities-Internal	3,460	3,336	1,466	5.0	0.3	3,486	1,516	4.5	0.3	4,168	3.6	-0.5
Colleges/Universities-Contract	(1)	3,417	1,502	5.4	0.7	3,586	1,560	4.9	0.7	4,738	5.7	1.5
Total	19,035	15,895	7,539	3.7	0.5	16,450	7,765	3.5	0.5	20,115	4.1	1.1

(1) Total unit count is given in the internal total.

Note: Sales estimates have been adjusted to reflect equivalent consumer expenditures. Estimates exclude alcoholic beverages. School estimates include government commodities and milk. Student units were tabulated by number of school districts instead of number of schools as in previous years.

STUDENT

At Lehigh University, students are attracted by a "branded" foodservice concept called Pete's Arena and a TCBY yogurt cart at the university center.

"Students want more variety, ethnic, and healthy foods."

Art Korandanis, foodservice director at Tufts University in Medford, MA, agrees. "During National Nutrition Month last March," notes Korandanis, "we ran a healthy-balance menu. It was such a success that we'll switch the menu in one of our halls to be exclusively health-oriented."

While students are demanding variety on the menu, at the college level they are also demanding variety in the hours and types of campus dining. Campuses are revamping their meal plans and payment plans and rethinking their operating hours in hopes of luring students away from c-stores and fast food. "Late-night dining is a big push," says Klippel. "Unlimited feeding—the old all-you-can-eat cafeteria concept—is on its way out because it is cost prohibitive"

"Meal plans as they used to be known are dying," says Wood's Tenon. Today, flexible plans and debit cards, which can be used in cash operations, too, are gaining ground.

At the University of Tennessee, Knoxville, Hill says he is "heavily into c-stores. We've put five on campus in an effort to be as flexible as possible. Students can go off campus any time of the day or night and grab a meal," says Hill.

At Tufts, Korandanis expanded the debit-card program so that students could use their dining points at vending machines and in the school's bookstores and laundry rooms.

Many college foodservice directors are trying to create a more retail environment on campus. Some schools are allowing chains onto campuses. At the University of California at Sacramento, Burger King operates on campus. The University of Southern California actually became a franchisee of Carl's Jr.

Tenon has implemented a branded pizza concept, Pete's Arena, at Lehigh and a cart concept with TCBY.

Steven Sweeney, vice president of operations for schools and colleges for Flik Management in Mamaroneck, NY, says his company has worked out agreements with Pizza Hut, Dunkin' Donuts, and a frozen yogurt concern.

William Hamman, president of the Marriott Education Services Division in Orlando, FL, agrees that the freedom of choice students are demanding is a major trend, but cautions that choice for students means expense for operators. Nonetheless, on some of the larger campuses Marriott operates at, such as George Washington University and SUNY Binghamton, Pizza Hut, Domino's, and other nationally branded concepts have been fully integrated.

Even at the elementary school level, student demands for flexibility are being met. Sue Greig, former foodservice director in Manhattan, KS, says that by setting up salad and sandwich bars and food courts, she was able to provide the "mall" atmosphere students enjoy.

SURVIVAL. By some estimates, says ASFSA' Dando, with college enrollment shrinking and costs skyrocketing, 1,000 colleges are expected to close by the end of the century. Survival for school foodservice will depend on creative marketing, on meeting customers' needs, and on garnering income from nontraditional sources. More and more campuses are sprucing up their summer conference business, implementing cash operations to appeal to students on and off the meal plan, and moving to self-service programs that can help reduce labor costs.

Some in the industry see a shift away from self-operated cafeterias at every level of student feeding. "Contract management companies are making increasing inroads into school nutrition programs," says Dando.

Hamman says that Marriott is enjoying high growth even in what is a mature market. In the coming school year, the company will add 26 new schools to its roster. "Contractors are in a unique position to fulfill students' demands for variety," says Hamman. "We can flex our muscles when it comes to buying power, and because of our size we can offer improved employee benefits."**–D.K.**

For more information on American Home Foods circle number 114→

24TH ANNUAL RGI

AIRLINE

The recession and the Persian Gulf War shook the airline industry in 1990-91. Fuel prices skyrocketed, taking airfares with them. In addition, travelers avoided the airports because of terrorism fears. Domestic airline passenger boardings through May 1991 declined 4.3%, according to the Airline Transport Association, a deceptively low cumulative figure. It is put into perspective by the 40% to 50% traffic drops in trans-Atlantic routes that happened during the peak war months of January and February.

Moreover, the turmoil obviously contributed to the unprecedented number of carriers in Chapter 11 bankruptcy protection: Eastern, Continental, Midway, Pan Am, and TWA. Financially healthier airlines such as American, Delta, and United are buying up routes, gates, and planes from their cash-strapped rivals.

For inflight feeders, the main effect was the interruption of the trend of improved and upgraded inflight foodservice. For the past several years, airlines had stepped up investment in food as a marketing tool and competitive edge. But the increase in fuel costs and the traffic slump forced them to cut back, at least temporarily. Meals were eliminated on certain flights. On others, a single entree was served or hot meals gave way to cold plates and snacks.

"Despite all the problems the airlines faced, it's significant that there was no perceptible downgrading of food quality from a passenger viewpoint," says Phillip Cooke, executive director of the Inflight Food Service Association (IFSA), Louisville, KY.

RECOVERING MOMENTUM. As of this writing, it appears that carriers are recovering their momentum in foodservice. In July, for example, Northwest Airlines spent several million dollars on meal enhancements, including increased portions, new menus, and the reintroduction of meals discontinued during the war. It resumed its $100 million campaign to upgrade foodservice that began last year.

One of Northwest's investments was Silver Platter Service of international dishes, a program designed to build up traffic on competitive routes. Both first class and main cabin passengers choose from menus inspired by Northwest's international destinations. Selections include cold poached salmon with green beans and julienne beets, with chocolate-dipped strawberries and petit fours for dessert. Complimentary drinks and table linens are included.

Airline foodservice in general has become increasingly conscious of prevailing consumer tastes. "We're seeing passenger receptiveness to pasta, cold salad and fruit plates, and even pizza," says Gary Franson, director, system foodservice, for Northwest Airlines.

SPECIAL MEALS. Health is an especially hot topic. Northwest Airlines offers 18 special meals that range that go far beyond the basic kosher, vegetarian, and child's meals to include diabetic, low-sodium, nondairy vegetarian, gluten-free, low-carbohydrate, plus meals for religious and ethnic groups such as Muslims and Indians.

Luxury food is an important weapon in the international air travel market, which sees aggressive newcomers from the U.S. such as American and United battling European and Asian flag carriers.

United Airlines' passengers on the competitive New York to London route enjoy English tea service with scones, clotted cream, finger sandwiches, and freshly brewed teas. First class passengers may also opt for a flute of *tete de cuvée* Champagne.

Still, no other form of deluxe air travel beats the supersonic Concorde. Menus on British Airways' London to New York Concorde route are crafted by noted chef Anton Mosimann. Selections include caviar and chicken liver mousse canapés, salmon poached in Chablis and herb sauce, and *délice de chocolat* for dessert. Prestigious Bordeaux and Burgundy vintages from the Concorde Cellar wash it all down.-**J.S.**

THE AIRLINE MARKET

FOODSERVICE SALES

	1990 UNITS	1990 SALES ($ MM)	1990 PURCHASES ($ MM)	1990 vs. 1989 % SALES GROWTH		1991 SALES ($ MM)	1991 PURCHASES ($ MM)	1991 vs. 1990 % SALES GROWTH		1996 SALES ($ MM)	1991-1996 % COMPOUND ANNUAL SALES GROWTH	
				Nominal	Real			Nominal	Real		Nominal	Real
Airlines	30	4,356	2,178	9.9	-5.0	4,675	2,338	7.3	3.0	6,987	8.4	4.0

Airline estimates reflect in-flight operations only. Terminal operations included within Separate Eating and Drinking Places.
Note that sales estimates have been adjusted to reflect equivalent consumer expenditures.

24TH ANNUAL RGI

GLOSSARY

POPULATION. Updated from the U.S. Census, this is an estimate of the number of people living in an area at the end of the year. It includes people living in colleges and hospitals, and permanently assigned armed forces, but excludes tourists and transients. Demographics are estimated by population components—independent county estimates of births, deaths, and migration. These components are either added to or subtracted from the appropriate benchmark. Fertility rates, for example, have been projected at current rate of change. Similarly, we have assumed that current mortality rates will continue unmodified.

HOUSEHOLD. A household consists of all the people occupying a single housing unit under 1990 Census rules. The members need not be related, and a single person living alone in a housing unit is also counted as a household.

All persons who are not members of households are regarded as living in group quarters, which includes institutions, college dormitories, and military barracks. Caution: Although a county's population total includes all the people in the area, the household total does not do so because it excludes those living in group quarters.

AVERAGE HOUSEHOLD SIZE. Total population divided by the number of households. It is used as a rough indicator of the relative importance of family-type units or single-person units in a local area.

However, the figure can be artificially high in those relatively few counties where there is a disproportionate share of college, military, or other types of institutional population.

EFFECTIVE BUYING INCOME (EBI). Personal income less personal tax and nontax payments, also known as Disposable Personal Income.

EATING AND DRINKING PLACES. Includes establishments selling prepared foods and drink for consumption on or near the premises or for take-out; lunch counters and refreshment stands selling prepared foods and drinks for immediate food contractors; and leased eating and/or drinking concessions in theaters, hotels, amusement parks, etc. Restaurants and lunch counters operated by department stores are classified in the General Merchandise Group; those operated by hotels are classified in the Hotel Group.

EATING PLACES. Includes retail sales and units of restaurants and lunch rooms, social cafeterias, fast-food sales, contract feeding, and ice cream and frozen custard stands. Excludes drinking place sales and units.

RESTAURANTS. Establishments serving prepared food and beverages selected by the patron from a full menu. Waitservice is provided with seating for at least 15 patrons. These establishments often serve alcoholic beverages.

Establishments in which sales of alcoholic beverages for consumption on the premises exceed receipts from sales of prepared foods and nonalcoholic beverages are classified as "drinking places."

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ILLUSTRATION BY NANCY STAHL

GLOSSARY

FAST FOOD. Establishments with limited menus. Included in this group are establishments that prepare refreshment items such as pizza, chicken, and hamburgers for consumption either on or near the premises or for carry-out.

MARKET SHARE. Represents the percent of eating places from fast-food units or from restaurants. It is indicative of customer preference of these establishments in that area.

RESTAURANT ACTIVITY INDEX (RAI). The percent of U.S. eating place sales divided by the percent of U.S. food store sales, expressed as an index. An index greater than 100 indicates a greater than average propensity to eat out rather than at home.

Note: According to the Census of Retail Trade, food store sales figures have been revised for certain counties. The areas affected are: Los Angeles, Monterey, and Orange, CA; Adams, Douglas, Mes, and Teller, CO; Butts, DeKalb, Meriwether, and Taylor, GA; Clay, Grayson, Knox, Laurel, McLean, Metcalfe, Muhlenberg, Ohio, Pulaski, and Russell, KY; Wayne, IL; Iron and Menominee, MI; Clearwater, MN; Clay, Panola, Sunflower, and Yalobusha, MS; Pemiscot and Ripley, MO; Douglas, NE; Colfax, NM; Lenior, Northampton, and Pitt, NC; Benton, Hardin, and Hickman TN; Parker and Swisher, TX; Bennington, VT; Goochland, Lee, Louisa, and Scott, VA; and McDowell and Wyoming, WV. These revisions may affect RAI figures for these areas.

FOOTNOTE TO SALES FIGURES

Adjustment of separate eating and drinking place sales figures to be comparable to the approach of current retail trade reports.

After adjustments for differences in what current retail trade reports include in eating place sales, both in what is included in reported sales by segment and the segments themselves, the eating place sales figure in Technomic's forecast and analysis section rises from $157,550,000,000 to $176,707,000,000 an increase of $19,157,000,000 or 12.1%. Components of the adjustment are:

1. Technomic includes only sales of food (meals and snacks) and beverages (including alcoholic beverages). Adjusting for merchandise line items results in a deduction of $ 2,555,000,000.

2. Technomic does not include the contract feeders in eating places as the current retail trade report does, but rather shows sales in the segments they serve. Adjusting for the inclusion of contract feeders adds $21,712,000,000, a figure higher than the census of retail trade.

Adjustments of separate drinking place sales figures to be comparable to current retail trade reports.

1.Technomic includes only sales of food (meals and snacks) and beverages (including alcoholic beverages). Adjusting for merchandise line items results in a deduction of $585,000,000, or 5.0% to $11,119,000,000. The adjusted eating and drinking place sales figure increases from $168,669,000,000 to $188,411,000,000, an increase of $19,742,000,000 or 11.7%.

RESTAURANT GROWTH INDEX (RGI). The RGI shows the relationship between restaurant supply and demand as an index. When supply equals demand, the index is 100. The amount by which the RGI exceed 100 represents the growth potential. For example, an index of 120 means that the market could support 20% growth. When the market is saturated, the index will drop below 100.

Demand is measured by five factors:

- market's share of U.S. employed women, weighted by a factor of 2;
- market's share of U.S. households with EBI of $35,000-$50,000, weighted by a factor of 1, and market's share of households with EBI of over $50,000, weighted by 2;
- market's share of U.S. eating place sales;
- market's share of U.S. hotel and motel receipts; and
- market's share of U.S. population age 14 and under, and 25 to 44.

These factors added together create the demand portion of the equation. Supply is measured by the percentage of U.S. total eating places in the market. The RGI is created by dividing demand by supply, and multiplying the result by 100, so that the final figure will be in index form.

TELEVISION MARKETS. The TV markets are the American Research Bureau's Areas of Dominant Influence (ADIs). ARBITRON studies each county for its viewing patterns. The hours of viewing attributed to each TV station whose signal reaches the county are totaled; then each station's percentage share of total viewing hours is calculated. The market of origin of the TV stations with the largest share of viewing hours becomes the ADI name for that market, and all counties whose largest viewing share is given to stations of that same market of origin are grouped within the ADI.

METROPOLITAN STATISTICAL AREAS (MSAs). In the RGI, metropolitan markets are identical to the Federal government's definition of MSAs or PMSAs (Primary Metropolitan Statistical Areas), except in New England, where NECMSAs (New England County Metropolitan Statistical Areas) are used.

The basic criteria for metropolitan areas are: Each metropolitan statistical area must include a city that, with contiguous and densely settled territory, constitutes a Census Bureau-defined urbanized area with a population of at least 50,000. If a metropolitan statistical area's largest city has a population of less than 50,000, the area must have a total population of at least 100,000.

25TH ANNUAL RGI

1990 METRO AREAS

THIS SECTION OF THE RESTAURANT GROWTH INDEX DESCRIBES THE GEOGRAPHIC MAKE-UP OF THE METROPOLITAN STATISTICAL AREAS AS DEFINED BY THE U.S. CENSUS.

A

Abilene, TX—Taylor
Akron, OH—Portage, Summit
Albany, GA—Dougherty, Lee
Albany-Schenectady-Troy, NY—Albany, Greene, Montgomery, Rensselaer, Saratoga, Schenectady
Albuquerque, NM—Bernalillo
Alexandria, LA—Rapides
Allentown-Bethlehem, PA -
New Jersey Portion—Warren
Pennsylvania Portion—Carbon, Lehigh, Northampton
Altoona, PA—Blair
Amarillo, TX—Potter, Randall
Anaheim-Santa Ana, CA—Orange
Anchorage, AK—Anchorage
Anderson, IN—Madison
Anderson, SC—Anderson
Ann Arbor, MI—Washtenaw
Anniston, AL—Calhoun
Appleton-Oshkosh-Neenah, WI—Calumet, Outagamie, Winnebago
Asheville, NC—Buncombe
Ashland, KY (See Huntington-Ashland)
Athens, GA—Clarke, Jackson, Madison, Oconee
Atlanta, GA—Barrow, Butts, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinett, Henry, Newton, Paulding, Rockdale, Spalding, Walton
Atlantic City, NJ—Atlantic, Cape May
Attleboro, MA (See New Bedford-Fall River-Attleboro)
Auburn, ME (See Lewiston-Auburn)
Augusta, GA—
Georgia Portion—Columbia, McDuffie, Richmond
South Carolina Portion—Aiken
Aurora-Elgin, IL—Kane, Kendall
Austin, TX—Hays, Travis, Williamson

B

Bakersfield, CA—Kern
Baltimore, MD—Anne Arundel, Baltimore, Baltimore City, Carroll, Hartford, Howard, Queen Anne's
Bangor, ME—Penobscot
Baton Rouge, LA—Ascension, East Baton Rouge, Livingston, West Baton Rouge
Battle Creek, MI—Calhoun
Bay City, MI (See Saginaw-Bay City-Midland)
Beaumont-Port Arthur, TX—Hardin, Jefferson, Orange
Beaver County, PA—Beaver
Bellingham, WA—Whatcom
Beloit, WI (See Janesville-Beloit)
Benton Harbor, MI—Berrien
Bergen-Passaic, NJ—Bergen, Passaic
Bethlehem, PA (See Allentown-Bethlehem)
Billings, MT—Yellowstone
Biloxi-Gulfport, MS—Hancock, Harrison
Binghamton, NY—Broome, Tioga
Birmingham, AL—Blount, Jefferson, St. Clair, Shelby, Walker
Bismarck, ND—Burleigh, Morton
Bloomington, IN—Monroe
Bloomington-Normal, IL—McLean
Boca Raton, FL (See West Palm Beach-Boca Raton-Delray Beach)
Boise, ID—Ada
Boston-Lawrence-Salem-Lowell-Brockton, MA—Essex, Middlesex, Norfolk, Plymouth, Suffolk
Boulder-Longmont, CO—Boulder
Bradenton, FL—Manatee
Brazoria, TX—Brazoria
Bremerton, WA—Kitsap
Bridgeport-Stamford-Norwalk-Danbury, CT—Fairfield
Bridgeton, NJ (See Vineland-Millville-Bridgeton)
Bristol, CT (See Hartford-New Britain-Middletown-Bristol)
Bristol, TN—(See Johnson City-Kingsport-Bristol)
Brockton, MA (See Boston-Lawrence-Salem-Lowell-Brockton)
Brownsville-Harlingen, TX—Cameron
Bryan-College Station, TX—Brazos
Buffalo, NY—Erie
BUFFALO-NIAGARA FALLS CONSOLIDATED AREA—Metro Areas: Buffalo, Niagara Falls, NY
Burlington, NC—Alamance
Burlington, VT—Chittenden, Grande Isle

C

Canton, OH—Carroll, Stark
Casper, WY—Natrona
Cedar Falls, IA (See Waterloo-Cedar Falls)
Cedar Rapids, IA—Linn
Champaign-Urbana-Rantoul, IL—Champaign
Charleston, SC—Berkeley, Charleston, Dorchester
Charleston, WV—Kanawha, Putnam
Charlotte-Gastonia-Rock Hill, NC-SC-
North Carolina Portion—Cabarrus, Gaston, Lincoln, Mecklenburg, Rowan, Union
South Carolina Portion—York
Charlottesville, VA—Albemarle, Charlottesville, Fluvanna, Greene
Chattanooga, TN -
Georgia Portion—Catoosa, Dade, Walker
Tennessee Portion—Hamilton, Marion, Sequatchie
Cheyenne, WY—Laramie
Chicago, IL—Cooke, DuPage, McHenry
CHICAGO-GARY-LAKE COUNTY CONSOLIDATED AREA—Metro Areas: Aurora-Elgin, Chicago, IL; Gary-Hammond, IN; Joliet, IL; Kenosha, WI; Lake County, IL
Chico, CA—Butte
Cincinnati, OH -
Indiana Portion—Dearborn
Kentucky Portion—Boone, Campbell, Kenton
Ohio Portion-Clermont, Hamilton, Warren
CINCINNATI-HAMILTON CONSOLIDATED AREA-
Metro Areas: Cincinnati, Hamilton-Middletown, OH
Clarksville-Hopkinsville, TN-KY-
Kentucky Portion—Christian
Tennessee Portion—Montgomery
Clearwater, FL (See Tampa-St. Petersburg-Clearwater)
Cleveland, OH—Cuyahoga, Geauga Lake, Medina
CLEVELAND-AKRON-LORAIN CONSOLIDATED AREA—Metro Areas: Akron, Cleveland, Lorain-Elyria, OH
College Station, TX (See Bryan-College Station)
Colorado Springs, CO—El Paso
Columbia, MO—Boone
Columbia, SC—Lexington, Richland
Columbus, GA -
Alabama Portion—Russell
Georgia Portion—Chattahoochee, Muscogee
Columbus, OH—Delaware, Fairfield, Franklin, Licking, Madison, Pickaway, Union
Corpus Christi, TX—Nueces, San Patricio
Cumberland, MD—
Maryland Portion—Allegany
West Virginia Portion—Mineral

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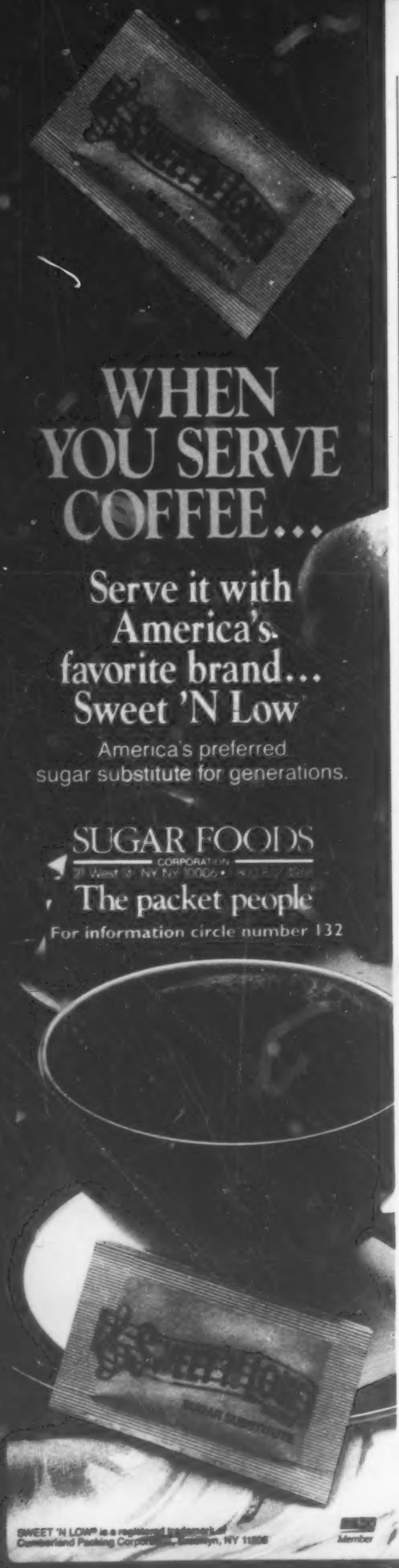
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24TH ANNUAL RGI

1990
METRO AREAS

D

Dallas, TX—Collin, Dallas, Denton, Ellis, Kaufman, Rockwall

DALLAS-FORT WORTH CONSOLIDATED AREA—Metro Areas: Dallas, Fort Worth-Arlington,TX

Danbury, CT (See Bridgeport-Stamford-Norwalk-Danbury)

Danville, VA—Danville, Pittsylvania

Davenport-Rock Island-Moline, IL-IA-
  Illinois Portion—McHenry, Rock Island
  Iowa Portion—Scott

Dayton-Springfield, OH—Clarke, Greene, Miami, Montgomery

Daytona Beach, FL—Volusia

Decatur, AL—Morgan

Decatur, IL—Macon

Delray Beach, FL (See West Palm Beach-Boca Raton-Delray Beach)

Denison, TX—(See Sherman-Denison)

Denver, CO—Adams, Arapahoe, Denver, Douglas, Jefferson

DENVER-BOULDER CONSOLIDATED AREA-Metro Areas: Boulder-Longmont, Denver, CO

Des Moines, IA—Dallas, Polk, Warren

Detroit, MI—Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Wayne

DETROIT-ANN ARBOR CONSOLIDATED AREA-Metro Area: Ann Arbor, Detroit, MI

Dothan, AL—Dale, Houston

Dubuque, IA—Dubuque

Duluth, MN—
  Minnesota Portion—St. Louis
  Wisconsin Portion—Douglas

Durham, NC (See Raleigh-Durham)

E

East Lansing, MI (See Lansing-East Lansing)

Eau Claire, WI—Chippewa, Eau Claire

Edinburg, TX (See McAllen-Edinburg-Mission)

El Paso, TX—El Paso

Elgin, IL (See Aurora-Elgin)

Elkhart-Goshen, IN—Elkhart

Elmira, NY—Chemung

Elyria, OH (See Lorain-Elyria)

Enid, OK—Garfield

Erie, PA—Erie

Eugene-Springfield, OR—Lane

Evansville, IN -
  Indiana Portion—Posey, Vanderburgh, Warrick
  Kentucky Portion—Henderson

F

Fairfield, CA (See Vallejo-Fairfield-Napa)

Fall River, MA (See New Bedford-Fall River-Attleboro)

Fargo-Moorhead, ND-MN -
  Minnesota Portion—Clay
  North Dakota Portion—Cass

Fayetteville, NC—Cumberland

Fayetteville-Springdale, AR -Washington

Fitchburg, MA (See Worcester-Fitchburg-Leominster)

Flint, MI—Genesee

Florence, AL—Colbert, Lauderdale

Florence, SC—Florence

Fort Collins-Loveland, CO—Larimer

Fort Lauderdale-Hollywood-Pompano Beach, FL—Broward

Fort Myers-Cape Coral, FL—Lee

Fort Pierce, FL—Martin, St. Lucie

Fort Smith, AR-
  Arkansas Portion—Crawford, Sebastian
  Oklahoma Portion—Sequoyah

Fort Walton Beach, FL—Okaloosa

Fort Wayne, IN—Allen, DeKalb, Whitley

Fort Worth-Arlington, TX—Johnson, Parker, Tarrant

Fresno, CA—Fresno

G

Gadsden, AL—Etowah

Gainesville, FL—Alachua, Bradford

Galveston-Texas City, TX—Galveston

Gary-Hammond, IN—Lake, Porter

Gastonia, NC (See Charlotte-Gastonia-Rock Hill)

Glen Falls, NY—Warren, Washington

Goshen, IN (See Elkhart-Goshen)

Grand Forks, ND—Grand Forks

Grand Rapids, MI—Kent, Ottawa

Great Falls, MT—Cascade

Greeley, CO—Weld

Green Bay, WI—Brown

Greensboro-Winston-Salem-High Point, NC—Davidson, Davie, Forsyth, Guilford, Randolph, stokes, Yadkin

Greenville-Spartanburg, SC—Greenville, Pickens, Spartanburg

Gulfport, MS (See Biloxi-Gulfport)

H

Hagerstown, MD—Washington

Hamilton-Middletown, OH—Butler

Hammond, IN (See Gary-Hammond

Harlingen, TX (See Brownsville-Harlingen)

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1990 METRO AREAS

- **Harrisburg-Lebanon-Carlisle, PA—**Cumberland, Dauphin, Lebanon, Perry
- **Hartford-New Britain-Middletown-Bristol, CT—**Hartford, Middlesex, Tolland
- **Hickory, NC—**Alexander, Burke, Catawba
- **High Point, NC (See Greensboro-Winston-Salem-High Point)**
- **Hollywood, FL (See Fort Lauderdale-Hollywood-Pompano Beach)**
- **Honolulu, HI—**Honolulu
- **Hopkinsville, TN—(See Clarksville-Hopkinsville)**
- **Houma-Thibodaux, LA—**Lafourche, Terrelbonne
- **Houston, TX—**Fort Bend, Harris, Liberty, Montgomery, Waller
- **HOUSTON-GALVESTON-BRAZORIA CONSOLIDATED AREA—**Metro Areas: Brazoria, Galveston-Texas City, Houston, TX
- **Huntington-Ashland, WV-KY -**
  - **Kentucky Portion-**Boyd, Carter, Greenup
  - **Ohio Portion—**Lawrence
  - **West Virginia Portion—**Cabell, Wayne
- **Huntsville, AL—**Madison

I-J

- **Indianapolis, IN—**Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby
- **Iowa City, IA—**Johnson
- **Jackson, MI—**Jackson
- **Jackson, MS—**Hinds, Madison, Rankin
- **Jackson, TN—**Madison
- **Jacksonville, NC—**Onslow
- **Jamestown-Dunkirk, NY—**Chautauqua
- **Janesville-Beloit, WI—**Rock
- **Jersey City, NJ—**Hudson
- **Johnson City-Kingsport-Bristol, TN-VA -**
  - **Tennessee Portion—**Carter, Hawkins, Sullivan, Unicol, Washington
  - **Virginia Portion—**Bristol, Scott, Washington
- **Johnstown, PA—**Cambria, Somerset
- **Joliet, IL—**Grundy, Will
- **Joplin, MO—**Jasper, Newton

K

- **Kalamazoo, MI—**Kalamazoo
- **Kankakee, IL—**Kankakee
- **Kansas City, MO-KS -**
  - **Kansas Portion—**Johnson, Leavenworth, Miami, Wyandotte
  - **Missouri Portion—**Cass, Clay, Jackson, Lafayette, Platte, Ray
- **Kennewick, WA (See Richland-Kennewick-Pasco)**
- **Kenosha, WI—**Kenosha
- **Killeen-Temple, TX—**Bell, Coryell
- **Kingsport, TN (See Johnson City-Kingsport-Bristol)**
- **Knoxville, TN—**Anderson, Blount, Grainger, Jefferson, Knox, Sevier, Union
- **Kokomo, IN—**Howard, Tipton

L

- **La Crosse, WI—**La Crosse
- **Lafayette, LA—**Lafayette, St. Martin
- **Lafayette-West Lafayette, In—**Tippecanoe
- **Lake Charles, LA—**Calcasieu
- **Lake County, IL—**Lake
- **Lakeland-Winter Have, FL—**Polk
- **Lancaster, PA—**Lancaster
- **Lansing-East Lansing, MI—**Clinton, Eaton, Ingham
- **Laredo, TX—**Webb
- **Las Cruces, NM—**Dona Ana
- **Las Vegas, NV—**Clark
- **Lawrence, KS—**Douglas
- **Lawrence, MA)See Boston-Lawrence-Salem-Lowell-Brockton)**
- **Lawton, OK—**Comanche
- **Leominster, MA (See Worcester-Fitchburg-Leominster)**
- **Lewiston-Auburn, ME—**Androscoggin
- **Lexington-Fayette, KY—**Bourbon, Clark, Fayette, Jessamine, Scott, Woodford
- **Lima, OH—**Allen, Auglaize
- **Lincoln, NE—**Lancaster
- **Little Rock-North Little Rock, AR—**Faulkner, Lonoke, Pulaski, Saline
- **Lompoc, CA (See Santa Barbara-Santa Maria-Lompoc)**
- **Long Beach, CA (See Los Angeles-Long Beach)**
- **Longmont, CO (See Boulder-Longmont)**
- **Longview-Marshall, TX—**Gregg, Harrison
- **Lorain-Elyria, OH—**Lorain
- **Los Angeles-Long Beach, CA—**Los Angels
- **LOS ANGELES-ANAHEIM-RIVERSIDE CONSOLIDATED AREA -** Metro Areas: Anaheim-Santa Ana, Los Angeles-Long Beach, Oxnard-Ventura, Riverside-San Bernardino, CA
- **Louisville, KY -**
  - **Indiana Portion—**Clark, Floyd, Harrison
  - **Kentucky Portion—**Bullitt, Jefferson, Oldham, Shelby
- **Loveland, CO (See Fort Collins-Loveland)**
- **Lowell, MA (See Boston-Lawrence-Salem-Lowell-Brockton)**

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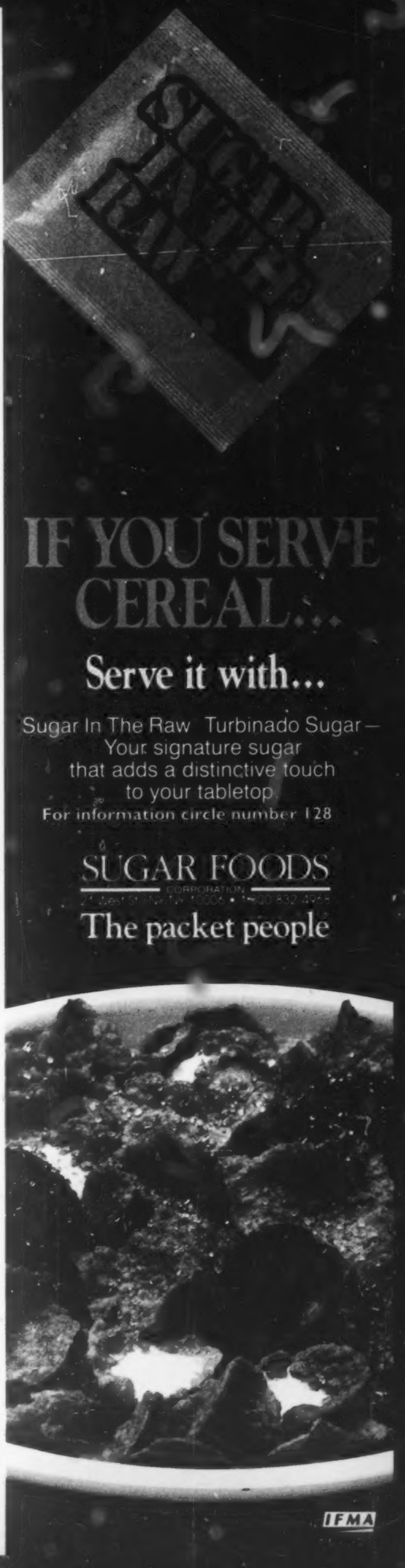

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1990
METRO AREAS

Lubbock, TX—Lubbock
Lynchburg, VA—Amherst, Campbell, Lynchburg

M

Macon-Warner Robins, GA—Bibb, Houston, Jones, Peach
Madison, WI—Dane
Manchester-Nashua, NH—Hillsborough
Mansfield, OH—Richland
Marietta, OH (See Parkersburg-Marietta)
Marshall, TX (See Longview-Marshall
McAllen-Edinburg-Mission—Hidalgo
Medford, OR—Jackson
Melbourne-Titusville-Palm Bay, FL—Brevard
Memphis, TN -
  Arkansas Portion—Crittenden
  Mississippi Portion—DeSota
  Tennessee Portion—Shelby, Tipton
Merced, CA—Merced
Meriden, CT (See New Haven-Waterbury-Meriden
Miami-Hialeah, FL—Dade
MIAMI-FORT LAUDERDALE CONSOLIDATED AREA -
Metro Areas:
Fort Lauderdale-Hollywood-Pompano Beach, Miami-Hialeah, FL
Middlesex-Somerset-Hunterdon, NJ—Hunterdon, Middlesex, Somerset
Middletown, CT (See Hartford-New Britain-Middletown-Bristol)
Middletown, OH (See Hamilton-Middletown)
Midland, MI (See Saginaw-Bay City-Midland)
Midland, TX—Midland
Millville, NJ (See Vineland-Millville-Bridgeton)
Milwaukee, WI—Milwaukee, Ozaukee, Washington, Waukesha
MILWAUKEE-RACINE CONSOLIDATED AREA -
Metro Areas: Milwaukee, Racine, WI
Minneapolis-St. Paul, MN—
  Minnesota Portion—Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, Wright
  Wisconsin Portion—St.Croix
Mishawaka, IN (See South Bend-Mishawaka)
Mission, TX—(See McAllen-Edinburg-Mission)
Mobile, AL—Baldwin, Mobile
Modesto, CA—Stanislaus
Moline, IL (See Davenport-Rock Island-Moline)
Monmouth-Ocean, NJ—Monmouth,Ocean
Monroe, LA—Ouachita
Monterey, CA (See Salinas-Seaside-Monterey)
Montgomery, AL—Autauga, Elmore, Montgomery
Moorehead, MN (See Fargo-Moorehead)
Muncie, IN—Delaware
Muskegon, MI—Muskegon

N

Napa, Ca (See Vallejo-Fairfield-Napa)
Naples, FL—Collier
Nashua, NH (See Manchester-Nashua)
Nashville, TN—Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson, Wilson
Nassau-Suffolk, NY—Nassau, Suffolk
Neenah, WI (See Appleton-Oshkosh-Neenah)
New Bedford-Fall River-Attleboro, MA—Bristol
New Britain, CT (See Hartford-New Britain-Middletown, Bristol)
New Haven-Waterbury-Meriden, CT—New Haven
New London-Norwich, CT—New London
New Orleans, LA—Jefferson, Orleans, St. Bernard, St. Charles, St. John the Baptist, St. Tammany
New York, NY—Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, Westchester
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND CONSOLIDATED AREA -
Metro Areas: Bergen-Passaic, NJ; Bridgeport-Stamford-Norwalk-Danbury, CT; Jersey City, Middlesex-Somerset-Hunterdon, Monmouth-Ocean, NJ; Nassau-Suffolk, New York, NY; Newark, NJ;Orange County, NY
Newark, NJ—Essex, Morris, Sussex, Union
Newport News, VA (See Norfolk-Virginia Beach-Newport News)
Niagara Falls, NY—Niagara
Norfolk-Virginia Beach-Newport News, VA—
Chesapeake, Gloucester, Hampton, James City, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg, York
Normal, IL (See Bloomington-Normal)
North Little Rock, AR (See Little Rock-North Little Rock)

24TH ANNUAL ROI

1990
METRO AREAS

Norwalk, CT (See Bridgeport-Stamford-Norwalk-Danbury)
Norwich, CT (See New London-Norwich)

O

Oakland, CA—Alameda, Contra Costa
Ocala, FL—Marion
Odessa, TX—Ector
Ogden, UT (See Salt Lake City-Ogden)
Oklahoma City, OK—Canadian, Cleveland, Logan, McClain, Oklahoma, Pottawattomie
Olympia, WA—Thurston
Omaha, NE -
  Iowa Portion—Pottawatamie
  Nebraska Portion—Douglas, Sarpy, Washington
Orange County, NY—Orange
Orem, UT (See Provo-Orem)
Orlando, FL—Orange, Osceola, Seminole
Oshkosh, WI (See Appleton-Oshkosh-Neenah)
Owensboro, KY—Daviess
Oxnard-Ventura, CA—Ventura

P

Palm Bay, FL (See Melbourne-Titusville-Palm Bay)
Panama City, FL—Bay
Parkersburg-Marietta, WV-OH
  OH Portion—Washington
  West Virginia Portion—Wood
Pascagoula, MS—Jackson
Pasco, WA (See Richland-Kennewick-Pasco)
Passaic, NJ—(See Bergen-Passaic)
Pawtucket, RI (See Providence-Pawtucket-Woonsocket)
Pensacola, FL—Escambia, Santa Rosa
Peoria, IL—Peoria, Tazewell, Woodford
Petersburg, VA (See Richmond-Petersburg)
Philadelphia, PA—
  New Jersey Portion—Burlington, Camden, Gloucester
  Pennsylvania Portion—Bucks, Chester, Delaware, Montgomery, Philadelphia
PHILADELPHIA-WILMINGTON-TRENTON CONSOLIDATED AREA -
Metro Areas: Philadelphia, PA; Trenton, Vineland-Millville-Bridgeton, NJ; Wilmington, DE
Phoenix, AZ—Maricopa
Pine Bluff, AR—Jefferson
Pittsburgh, PA—Allegheny, Fayette, Washington, Westmoreland
PITTSBURGH-BEAVER VALLEY CONSOLIDATED AREA -
Metro Areas: Beaver County, Pittsburgh, PA
Pittsfield, MA—Berkshire
Pompano Beach, FL (See Fort Lauderdale-Hollywood-Pompano Beach)
Port Arthur, TX (See Beaumont-Port Arthur)
Portland, ME—Cumberland
Portland, OR—Clackamas, Multnomah, Washington, Yamhill
PORTLAND-VANCOUVER CONSOLIDATED AREA -
Metro Areas: Portland, OR; Vancouver, WA
Portsmouth-Dover-Rochester, NH—Rockingham, Strafford
Poughkeepsie, NY—Dutchess
Providence-Pawtucket-Woonsocket, RI—Bristol, Kent, Providence, Washington
Provo-Orem, UT—Utah
Pueblo, CO—Pueblo

R

Racine, WI—Racine
Raleigh-Durham, NC—Durham, Franklin, Orange, Wake
Rantoul, IL (See Champaign-Urbana-Rantoul)
Rapid City, SD—Pennington
Reading, PA—Berks
Redding, CA—Shasta
Reno, NC—Wahoe
Richland-Kennewick-Pasco, WA—Benton, Franklin
Richmond-Petersburg, VA—Charles City, Chesterfield, Colonial Heights City, Dinwiddie, Goochland, Hanover, Henrico, Hopewell City, New Kent, Petersburg City, Pawhattan, Prince George, Richmond City
Riverside-San Bernardino, CA—Riverside, San Bernardino
Roanoke, VA—Botetourt, Roanoke, Roanoke City, Salem City
Rochester, MN—Olmsted
Rochester, NY—Livingston, Monroe, Ontario, Orleans, Wayne
Rockford, IL—Boone, Winnebago
Rock Hill, SC (See Charlotte-Gastonia-Rock Hill)
Rock Island, IL (See Davenport-Rock Island-Moline)
Rome, NY (See Utica-Rome)

continued on page138

TEAR HERE
McILHENNY CO.
TABASCO
BRAND
PEPPER SAUCE
MADE OF VINEGAR, RED PEPPER AND SALT

Serve them with...

World famous Tabasco Brand Pepper Sauce—preferred 10 to 1 over any other. Now in packets.

For information circle number 124

SUGAR FOODS
CORPORATION
[illegible]

The packet people

IFMA

Souper
Season
Kickoff
Promotion

Trivial
IN PURSUIT OF FOOTBALL'S BEST.
^

Warm up for the Souper Season promotion with some football trivia.

1. When was the first Super Bowl?
2. How many Super Bowls did "Broadway Joe" Namath play in?

Enter Chef Francisco's Souper Season promotion and you could win a fabulous trip for two to Super Bowl XXVI in Minneapolis on January 26, 1992 or the Pro Bowl in Honolulu on February 2, 1992. You'll also receive terrific discounts on Chef Francisco soups and chilis. All Chef soups qualify, including Quick Cuisine,™ Chef Light,™ Masterpiece™ Cream Soups, Chef chilis and Chef Francisco packed distributor group label soups. Order your free Chef Francisco merchandising material today to be automatically registered in our Souper Season sweepstakes. Then it's up to you. Hold your promotion any six weeks between September 23 and December 20, 1991. The stronger your promotion, the more soup you'll sell and the more discounts you'll receive. Good Luck!

THIS CHEF FRANCISCO SHAPE IS THE SIGN OF GREAT SOUP

Trivia Answers: 1. January 15, 1967. Green Bay beat Kansas City 35-10 at the Los Angeles Coliseum. 2. Just one. Super Bowl III in 1969.

CHEF FRANCISCO.
The Art of Frozen Food™

24TH ANNUAL RGI

1990 METRO AREAS

S

Sacramento, CA—El Dorado, Placer, Sacramento, Yolo
Saginaw-Bay City-Midland, MI—Bay, Midland, Saginaw
St. Cloud, MN—Benton, Sherburne, Stearns
St. Joseph, MO—Buchanan
St. Louis, MO-IL -
  Illinois Portion—Clinton, Jersey, Madison, Monroe, St. Clair
  Missouri Portion—Franklin, Jefferson, St. Charles, St. Louis, St Louis City
St. Paul, MN (See Minneapolis-St. Paul)
St. Petersburg, FL (See Tampa-St. Petersburg-Clearwater)
Salem, MA (See Boston-Lawrence-Salem-Lowell-Brockton)
Salem, OR—Marion, Polk
Salinas-Seaside-Monterey, CA—Monterey
Salt Lake City-Ogden, UT—David, Salt Lake, Weber
San Angelo, TX—Tom Green
San Antonio, TX—Bexar, Comal, Guadalupe
San Bernardino, CA (See Riverside-San Bernardino)
San Diego, CA—San Diego
San Francisco, CA—Marin, San Francisco, San Mateo
SAN FRANCISCO-OAKLAND-SAN JOSE CONSOLIDATED AREA -
Metro Areas: Oakland, San Francisco, San Jose, Santa Cruz, Santa Rosa-Petaluma, Vallejo-Fairfield-Napa, CA
San Jose, CA—Santa Clara
Santa Ana, CA (See Anaheim-Santa Ana)
Santa Barbara-Santa Maria-Lompoc, CA—Santa Barbara
Santa Cruz, CA—Santa Cruz
Santa Fe, NM—Los Alamos, Santa Fe
Santa Maria, CA (See Santa Barbara-Santa Maria-Lompoc)
Santa Rosa-Petaluma, CA—Sonoma
Sarasota, FL—Sarasota
Savannah, GA—Chatham, Ellingham
Schenectady, NY (See Albany-Schenectady-Troy)
Scranton-Wilkes-Barre, PA—Columbia, Lackawanna, Luzerne, Monroe, Wyoming
Seaside, CA (See Salinas-Seaside-Monterey)
Seattle, WA—King, Snohomish
SEATTLE-TACOMA CONSOLIDATED AREA -
Metro Areas: Seattle, Tacoma, WA
Sharon, PA—Mercer
Sheboygan, WI—Sheboygan
Sherman-Denison, TX—Grayson
Shreveport, LA—Bossier, Caddo
Sioux City, IA -
  Iowa Portion—Woodbury
  Nebraska Portion—Dakota
Sioux Falls, SD-Minnehaha
South Bend-Mishawaka, IN—St. Joseph
Spartanburg, SC (See Greenville-Spartanburg)
Spokane, WA—Spokane
Springdale, AR (See Fayetteville-Springdale)
Springfield, IL—Menard, Sangamon
Springfield, MA—Hampden, Hampshire
Springfield, OH (See Dayton-Springfield)
Springfield, OR (See Eugene-Springfield)
Stamford, CT (See Bridgeport-Stamford-Norwalk-Danbury)
State College, PA—Centre
Steubenville-Weirton, OH-WV -
  Ohio Portion—Jefferson
  West Virginia Portion-Brooke, Hancock
Stockton, CA—San Joaquin
Syracuse, NY—Madison, Onondaga, Oswego

T

Tacoma, WA—Pierce
Tallahassee, FL—Gadsden, Leon
Tampa-St. Petersburg-Clearwater, FL—Hernando, Hillsborough, Pasco, Pinellas
Temple, TX (See Killeen-Temple)
Terre Haute, IN—Clay, Vigo
Texarkana, TX-AR -
  Arkansas Portion—Miller
  Texas Portion—Bowie
Texas City, TX (See Galveston-Texas City)
Titusville, FL (See Melbourne-Titusville-Palm Bay)
Toledo, OH—Fulton, Lucas, Wood
Topeka, KS—Shawnee
Trenton, NJ—Mercer
Troy, NY—(See Albany-Schenectady-Troy)
Tucson, AZ—Pima
Tulsa, OK—Creek, Osage, Rogers, Tulsa, Wagoner
Tuscaloosa, AL—Tuscaloosa
Tyler, TX—Smith

U-V

Urbana, IL (See Champaign-Urbana-Rantoul)
Utica-Rome, NY—Herkimer, Oneida
Vallejo-Fairfield-Napa, CA—Napa, Solano

continued on page 142

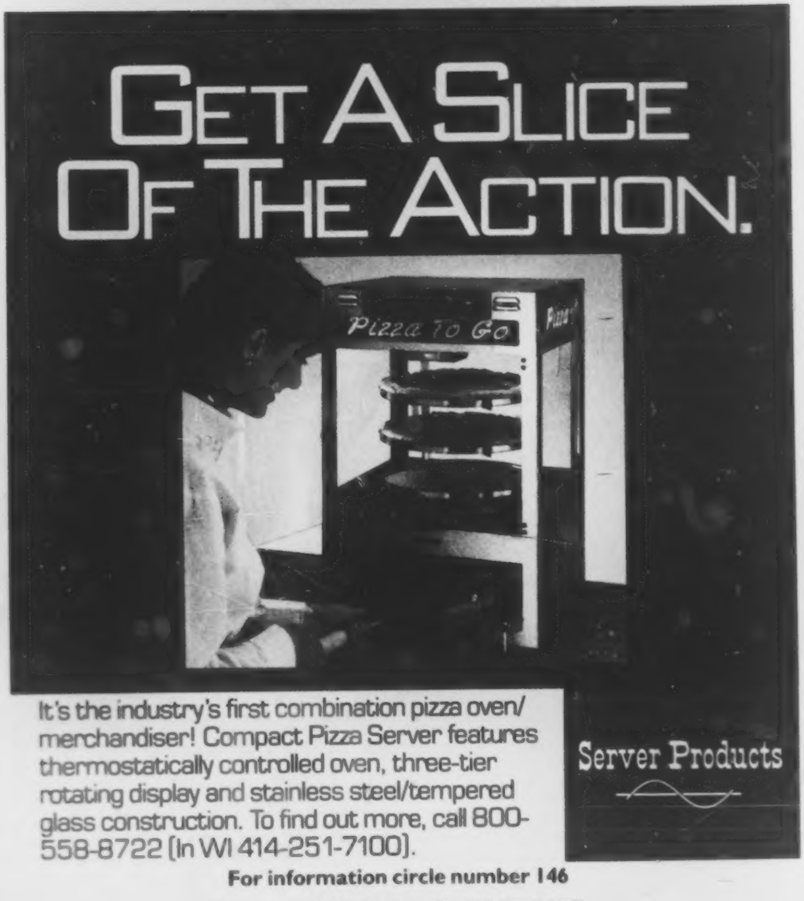
Our Reputation Is Fresh Out of a Can.

For over 25 years we have maintained a reputation for consistently superior clam products. Harvested from the icey blue waters of the Atlantic by our own fleet, the clams are then rushed to our new, state-of-the-art processing plant where shucking, canning, packing and computerized order processing are all under one roof.

It's easy to understand how we maintained our reputation for fine quality, it's sealed in every can.

EASTERN SHORE
SEAFOOD PRODUCTS, INC.
U.S. 13, Mappsville, VA 23407
800-446-8550
804-824-5651

For information circle number 40



GET A SLICE OF THE ACTION.

It's the industry's first combination pizza oven/merchandiser! Compact Pizza Server features thermostatically controlled oven, three-tier rotating display and stainless steel/tempered glass construction. To find out more, call 800-558-8722 (In WI 414-251-7100).

Server Products

For information circle number 146

See us at NAFEM Booth #5813-5817

Vancouver, WA—Clark
Ventura, CA (See Oxnard-Ventura)
Victoria, TX—Victoria
Vineland-Millville-Bridgeton, NJ—Cumberland
Virginia Beach, VA (See Norfolk-Virginia Beach-Newport News)
Visalia-Tulare-Porterville, CA—Tulare

W-Y

Waco, TX—McLennan
Warren, OH (See Youngstown-Warren)
Washington, DC - District of Columbia Portion—District of Columbia
  Maryland Portion—Calvert, Charles, Frederick, Montgomery, Prince George's
  Virginia Portion—Alexandria City, Arlington, Fairfax, Fairfax City, Falls Church City, Loudoun, Manassas City, Manassas Park City, Prince William, Stafford
Waterbury, CT (See New Haven-Waterbury-Meriden)
Waterloo-Cedar Falls, IA—Black Hawk, Bremer
Wausau, WI—Marathon
Weirton, OH (See Steubenville-Weirton)
West Palm Beach-Boca Raton-Delray Beach, FL—Palm Beach
Wheeling, WV -
  Ohio Portion—Belmont
  West Virginia Portion—Marshall
Wichita, KS—Butler, Sedgwick
Wichita Falls, TX—Wichita
Wilkes-Barre, PA (See Scranton-Wilkes-Barre)
Williamsport, PA—Lycoming
Wilmington, DE -
  Delaware Portion—New Castle
  Maryland Portion—Cecil
  New Jersey Portion—Salem
Wilmington, NC—New Hanover
Winston-Salem, NC (See Greensboro-Winston-Salem-High Point)
Winter haven, FL (See Lakeland-Winter Haven)
Woonsocket, RI (See Providence-Pawtucket-Woonsocket)
Worcester-Fitchburg-Leominster, MA—Worcester
Yakima, WA—Yakima
York, PA—Adams, York
Youngstown-Warren, OH—Mahoning, Trumbull
Yuba City, CA—Sutter, Yuba
Yuma, AZ—Yuma

24TH ANNUAL RGI

1990
REGIONAL SUMMARY

	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
REGION State	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Connecticut	3,301.1	1.3162	2.67	18,244	2,660,254	2,516,751	4,623	771,783	31	1,399,919	56	97	104
Maine	1,238.3	.4937	2.64	12,946	951,016	915,561	1,907	329,556	36	522,986	57	81	78
Massachusetts	6,042.2	2.4090	2.68	16,647	6,092,683	5,681,950	8,681	1,600,160	28	3,337,061	59	119	104
New Hampshire	1,127.2	.4495	2.70	15,913	1,037,925	1,018,515	1,688	308,805	30	623,621	61	86	96
Rhode Island	1,008.9	.4023	2.66	14,447	858,038	782,037	1,484	260,332	33	446,694	57	110	85
Vermont	568.0	.2264	2.67	12,761	459,231	425,923	959	115,430	27	271,209	64	87	78
NEW ENGLAND	**13,285.7**	**5.2971**	**2.67**	**16,303**	**12,059,147**	**11,340,737**	**19,342**	**3,386,066**	**30**	**6,601,490**	**58**	**104**	**98**
New Jersey	7,768.8	3.0974	2.77	18,738	5,656,450	5,086,683	9,744	1,563,496	31	2,722,454	54	82	133
New York	18,065.5	7.2029	2.71	15,890	13,098,126	12,244,028	24,059	3,346,733	27	6,659,498	54	98	99
Pennsylvania	11,912.4	4.7495	2.64	13,993	7,675,185	7,002,110	14,289	2,512,664	36	3,598,772	51	86	98
MIDDLE ATLANTIC	**37,746.7**	**15.0498**	**2.70**	**15,877**	**26,429,761**	**24,332,821**	**48,092**	**7,422,893**	**31**	**12,980,724**	**53**	**91**	**106**
Illinois	11,449.1	4.5648	2.72	15,048	8,189,410	7,573,645	14,402	2,993,086	40	3,669,148	48	111	103
Indiana	5,556.7	2.2155	2.68	12,273	3,478,268	3.250,516	7,190	1,699,168	52	1,238,685	38	107	86
Michigan	9,323.1	3.7172	2.72	13,489	6,259,184	5,725,152	11,212	2,367,694	41	2,799,790	49	107	95
Ohio	10,864.4	4.3317	2.65	13,149	7,184,239	6,631,868	13,531	3,085,356	47	2,912,958	44	99	92
Wisconsin	4,912.1	1.9584	2.68	13,561	3,656,134	3,153,359	6,652	1,168,560	37	1,750,533	5[illegible]	103	89
EAST NORTH CENTRAL	**42,105.4**	**16.7876**	**2.69**	**13,673**	**28,767,235**	**26,334,540**	**52,987**	**11,313,864**	**43**	**12,371,114**	**47**	**105**	**94**
Iowa	2,770.3	1.1046	2.61	12,709	1,691,466	1,515,158	3,840	666,101	44	725,255	48	79	78
Kansas	2,491.1	.9932	2.62	13,965	1,566,326	1,497,850	3,510	762,881	51	561,275	37	92	82
Minnesota	4,412.0	1.7591	2.66	13,814	3,110,824	2,829,274	5,332	1,036,446	37	1,505,123	53	100	105
Missouri	5,145.1	2.0513	2.61	13,233	3,531,629	3,346,325	6,701	1,619,153	48	1,316,503	39	102	93
Nebraska	1,579.4	.6297	2.62	13,109	1,034,273	906,372	2,239	408,206	45	425,115	47	93	82
North Dakota	636.2	.2537	2.65	12,229	403,287	334,277	907	164,942	49	160,446	48	87	77
South Dakota	697.4	.2780	2.69	11,886	420,738	365,099	1,069	139,666	38	205,133	56	84	70
WEST NORTH CENTRAL	**17,731.5**	**7.0696**	**2.63**	**13,298**	**11,758,543**	**10,794,355**	**23,598**	**4,797,395**	**44**	**4,898,850**	**45**	**94**	**89**
Delaware	673.2	.2684	2.69	14,351	540,398	509,240	902	211,251	41	242,512	48	100	99
District of Columbia	604.2	.2409	2.43	17,653	910,465	858,857	1,308	207,696	24	458,632	53	287	132
Florida	13,218.8	5.2704	2.52	13,958	11,008,331	10,385,575	16,797	3,746,911	36	5,657,130	54	109	104
Georgia	6,586.6	2.6261	2.74	12,692	4,682,582	4,472,068	8,032	2,264,958	51	1,686,658	38	105	103
Maryland	4,843.7	1.9312	2.73	16.499	3,526,714	3,310,089	5,681	1,355,135	41	1,490,327	45	100	118
North Carolina	6,693.1	2.6685	2.63	12,052	4,514,364	4,428,307	8,468	2,258,056	51	1,681,198	38	102	90
South Carolina	3,521.1	1.4039	2.77	11,307	2,312,904	2,246,666	4,133	1,097,015	49	901,240	40	93	97
Virginia	6,265.1	2.4980	2.70	14,763	4,391,571	4,337,799	7,457	1,886,593	43	1,936,196	45	94	113
West Virginia	1,780.3	.7099	2.60	10,546	827,435	794,530	1,950	487,716	61	242,535	31	70	80
SOUTH ATLANTIC	**44,186.1**	**17.6173**	**2.64**	**13,581**	**32,714,764**	**31,343,131**	**54,728**	**13,515,331**	**43**	**14,296,428**	**46**	**103**	**104**
Alabama	4,056.1	1.6172	2.68	11,051	2,192,980	2,128,969	4,074	1,283,481	60	644,700	30	91	98
Kentucky	3,687.3	1.4701	2.67	11,182	2,229,881	2,146,574	3,796	1,214,002	57	754,561	35	95	97
Mississippi	2,575.3	1.0268	2.82	9,838	1,055,747	1,032,098	2,513	620,974	60	307,462	30	73	92
Tennessee	4,906.3	1.9562	2.63	12,075	2,911,814	2,851,687	5,581	1,478,429	52	1,118,221	39	106	102
EAST SOUTH CENTRAL	**15,225.0**	**6.0703**	**2.68**	**11,208**	**8,390,422**	**8,159,328**	**15,964**	**4,596,886**	**56**	**2,824,944**	**35**	**94**	**98**
Arkansas	2,358.0	.9402	2.64	10,915	1,113,276	1,092,295	2,747	608,204	56	382,482	35	68	82
Louisiana	4,206.7	1.6773	2.82	11,093	2,552,303	2,419,966	4,238	1,146,329	47	921,842	38	69	105
Oklahoma	3,143.0	1.2531	2.61	10,915	1,884,118	1,828,571	4,433	900,124	49	638,894	35	83	68
Texas	17,167.6	6.8448	2.80	12,474	11,369,928	10,690,362	20,435	4,859,880	45	4,272,536	40	84	97
WEST SOUTH CENTRAL	**26,875.3**	**10.7154**	**2.76**	**11,939**	**16,919,625**	**16,031,194**	**31,853**	**7,514,537**	**47**	**6,215,754**	**39**	**80**	**93**
Arizona	3,740.0	1.4911	2.68	12,264	2,610,945	2,422,515	4,545	983,371	41	1,179,024	49	87	100
Colorado	3,321.1	1.3241	2.57	13,983	2,731,682	2,528,489	5,162	898,500	36	1,319,462	52	108	88
Idaho	1,009.4	.4024	2.79	11,566	548,525	496,235	1,340	224,945	45	239,262	48	77	80
Montana	797.2	.3179	2.61	11,208	575,539	460,652	1,371	177,120	38	254,165	55	79	64
Nevada	1,244.1	.4960	2.58	13,684	991,745	860,595	1,401	359,514	42	381,109	44	91	374
New Mexico	1,534.8	.6119	2.79	10,667	994,803	927,736	2,019	421,211	45	418,633	45	101	80
Utah	1,738.8	.6933	3.20	10,233	939,824	910,775	1,937	456,006	50	365,652	40	82	95
Wyoming	448.6	.1789	2.68	12,008	287,737	252,932	726	100,556	40	143,192	57	94	82
MOUNTAIN	**13,834.0**	**5.5156**	**2.71**	**12,252**	**9,680,800**	**8,859,929**	**18,501**	**3,621,223**	**41**	**4,300,499**	**49**	**92**	**110**
Alaska	554.5	.2211	2.91	15,499	625,121	534,690	731	187,700	35	228,923	43	95	114
California	30,353.0	12.1019	2.87	15,741	26,289,994	24,895,651	39,401	9,388,890	38	13,180,392	53	122	105
Hawaii	1,120.1	.4466	3.11	15,274	1,913,386	1,807,401	1,766	600,024	33	945,751	52	180	155
Oregon	2,863.5	1.1417	2.58	12,517	2,403,182	2,204,222	4,235	855,481	39	1,165,353	53	110	79
Washington	4,931.2	1.9660	2.60	14,507	4,155,215	3,862,876	6,582	1,398,579	36	2,163,347	56	103	96
PACIFIC	**39,822.3**	**15.8773**	**2.81**	**15,340**	**35,386,898**	**33,304,840**	**52,715**	**12,430,674**	**37**	**17,683,766**	**53**	**120**	**104**
United States Total	**250,812.0**	**100.0000**	**2.70**	**13,952**	**182,107,195**	**170,500,875**	**317,780**	**68,598,869**	**40**	**82,173,569**	**48**	**100**	**100**

24TH ANNUAL RGI

1990
METRO REPORT

THIS SECTION OF THE RESTAURANT GROWTH INDEX PROVIDES SALES, UNIT COUNTS, MARKET SHARE, AND RAI AND RGI INDICES FOR THE 320 METROPOLITAN STATISTICAL AREAS.

	12/31/90			1990									
					Eating Place		Fast Food		Restaurant				
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
ALABAMA													
Anniston	116.2	.0464	2.70	10,505	72,927	70,287	113	42,633	61	20,905	30	151	99
Birmingham	911.0	.3632	2.63	12,207	586,523	572,827	986	313,432	55	189,092	33	108	103
Decatur	101.1	.0403	2.65	10,834	62,093	60,079	109	42,010	70	14,504	24	113	90
Dothan	131.9	.0526	2.70	10,584	99,364	96,093	160	58,286	61	28,579	30	115	85
Florence	131.1	.0523	2.58	11,218	71,592	69,685	160	42,268	61	20,725	30	80	78
Gadsden	99.7	.0397	2.58	9,770	51,400	50,166	106	30,428	61	14,920	30	81	80
Huntsville	242.7	.0968	2.62	15,489	188,452	180,604	297	109,546	61	53,716	30	118	120
Mobile	479.4	.1911	2.74	11,589	300,902	284,705	522	152,251	53	104,984	37	95	96
Montgomery	294.6	.1175	2.77	11,764	200,670	195,133	305	118,359	61	58,036	30	130	112
Tuscaloosa	151.6	.0604	2.72	10,411	94,197	91,022	171	55,212	61	27,072	30	111	89
Non-Metro Portion of State	1,349.8	.5382	2.70	9,440	443,608	437,749	1,101	306,794	70	105,848	24	57	93
State Total	**4,056.1**	**1.6172**	**2.68**	**11,051**	**2,192,980**	**2,128,969**	**4,074**	**1,283,481**	**60**	**644,700**	**30**	**91**	**98**
ALASKA													
Anchorage	226.8	.0904	2.74	16,782	385,747	352,719	349	112,519	32	139,020	39	151	121
Non-Metro Portion of State	327.7	.1307	3.05	14,610	239,374	181,971	382	75,181	41	89,903	49	55	107
State Total	**554.5**	**.2211**	**2.91**	**15,499**	**625,121**	**534,690**	**731**	**187,700**	**35**	**228,923**	**43**	**95**	**114**
ARIZONA													
Phoenix	2,169.7	.8651	2.63	13,909	1,723,990	1,606,303	2,649	645,618	40	764,307	48	92	115
Tucson	677.9	.2703	2.55	11,334	461,572	425,178	822	182,654	43	203,013	48	95	87
Yuma	108.9	.0434	2.98	8,327	52,846	48,315	112	19,163	40	26,154	54	73	73
Non-Metro Portion of State	783.5	.3123	2.91	9,063	372,537	342,719	962	135,936	40	185,550	54	65	72
State Total	**3,740.0**	**1.4911**	**2.68**	**12,264**	**2,610,945**	**2,422,515**	**4,545**	**983,371**	**41**	**1,179,024**	**49**	**87**	**100**
ARKANSAS													
Fayetteville - Springdale	114.6	.0457	2.61	11,747	64,810	63,092	153	34,191	54	21,690	34	68	82
Fort Smith	177.3	.0707	2.63	10,789	122,290	120,791	247	64,745	54	41,085	34	84	73
Little Rock - North Little Rock	516.1	.2058	2.63	13,399	346,611	339,725	644	172,233	51	125,265	37	99	100
Pine Bluff	85.4	.0341	2.85	9,956	41,411	39,946	95	21,646	54	13,732	34	73	85
Texarkana	120.4	.0480	2.68	10,824	66,094	65,637	135	30,283	46	25,722	39	86	80
Non-Metro Portion of State	1,410.1	.5623	2.62	9,977	504,866	496,147	1,544	289,463	58	166,324	34	54	74
State Total	**2,358.0**	**.9402**	**2.64**	**10,915**	**1,113,276**	**1,092,295**	**2,747**	**606,204**	**56**	**382,482**	**35**	**68**	**82**
CALIFORNIA													
Anaheim - Santa Ana	2,451.1	.9773	2.91	17,931	2,805,364	2,657,310	3,519	1,006,703	38	1,387,626	52	150	114
Bakersfield	558.9	.2228	2.99	12,976	329,483	309,384	582	160,305	52	135,386	44	88	101
Chico	185.3	.0739	2.54	11,473	124,434	114,471	227	43,541	38	60,412	53	95	70
Fresno	682.9	.2723	3.0[illegible]	12,681	454,287	427,293	768	202,509	47	196,214	46	93	93
Los Angeles - Long Beach	8,967.9	3.5756	2.96	15,415	8,036,686	7,652,508	11,139	2,755,377	36	4,050,288	53	131	112
Merced	181.8	.0724	3.22	10,100	72,516	68,685	160	26,126	38	36,248	53	69	93
Modesto	384.4	.1532	2.95	12,166	240,313	229,874	394	87,440	36	121,316	53	90	93
Oakland	2,111.7	.8420	2.67	18,166	1,751,688	1,668,581	2,798	648,014	39	862,028	52	111	107
Oxnard - Ventura	680.7	.2714	3.08	16,387	529,237	510,404	779	215,240	42	261,233	51	115	112
Redding	151.6	.0605	2.63	12,219	95,153	87,554	229	33,303	38	46,206	53	70	67
Riverside - San Bernardino	2,724.0	1.0861	2.98	13,415	1,681,303	1,612,402	2,520	774,080	48	745,339	46	100	108
Sacramento	1,523.3	.6073	2.66	15,782	1,235,367	1,159,866	2,115	501,504	43	578,104	50	107	95
Salinas - Seaside - Monterey	363.1	.1448	3.14	14,113	326,116	307,850	504	101,917	33	197,771	64	156	104

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						Eating Place		Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
San Diego	2,562.9	1.0218	2.81	16,067	2,197,424	2,077,818	3,185	803,810	39	1,103,410	53	129	112
San Francisco	1,611.7	.6426	2.50	20,998	2,446,882	2,281,121	3,450	579,199	25	1,382,897	61	182	105
San Jose	1,512.9	.6032	2.88	19,573	1,416,321	1,350,879	2,054	515,246	38	698,752	52	135	127
Santa Barbara - Santa Maria - Lompoc	373.5	.1489	2.85	15,910	349,571	334,524	578	110,283	33	207,843	62	107	89
Santa Cruz	233.1	.0929	2.75	16,795	216,282	194,438	394	73,960	38	102,614	53	95	75
Santa Rosa - Petaluma	397.7	.1586	2.60	16,678	309,062	287,809	543	102,897	36	154,413	54	90	92
Stockton	490.6	.1956	3.04	12,200	316,491	302,281	533	145,886	48	143,181	47	108	90
Vallejo - Fairfield - Napa	467.0	.1862	2.91	14,200	314,714	294,359	499	136,352	46	150,391	51	103	104
Visalia - Tulare - Porterville	318.7	.1271	3.19	9,882	131,767	125,096	341	47,583	38	66,019	53	59	78
Yuba City	124.4	.0497	2.85	11,500	57,251	53,025	127	20,170	38	27,983	53	56	88
Non-Metro Portion of State	1,293.8	.5157	2.78	12,093	852,282	788,119	1,963	297,445	38	464,718	59	87	69
State Total	**30,353.0**	**12.1019**	**2.87**	**15,741**	**26,289,994**	**24,895,651**	**39,401**	**9,388,890**	**38**	**13,180,392**	**53**	**122**	**105**
COLORADO													
Boulder - Longmont	227.3	.0906	2.55	14,331	205,668	194,518	393	69,821	36	101,433	52	104	78
Colorado Springs	405.0	.1615	2.70	12,553	277,095	254,157	564	111,316	44	115,613	45	118	85
Denver	1,633.3	.6512	2.50	16,128	1,413,708	1,305,119	2,336	447,634	34	673,033	52	106	105
Fort Collins - Loveland	190.7	.0761	2.64	11,887	139,419	129,698	271	46,554	36	67,631	52	101	78
Greeley	132.3	.0528	2.77	10,555	65,435	59,148	133	21,231	36	30,842	52	74	90
Pueblo	123.1	.0491	2.61	10,373	82,136	73,089	169	26,234	36	38,111	52	86	72
Non-Metro Portion of State	609.4	.2428	2.61	11,184	548,221	512,760	1,296	175,710	34	292,799	57	122	67
State Total	**3,321.1**	**1.3241**	**2.57**	**13,983**	**2,731,682**	**2,528,489**	**5,162**	**898,500**	**36**	**1,319,462**	**52**	**108**	**88**
CONNECTICUT													
Bridgeport - Stamford - Norwalk - Danbury	827.1	.3298	2.71	22,365	682,682	651,299	1,201	172,564	26	375,431	58	87	106
Hartford - New Britain - Middletown - Bristol	1,130.7	.4508	2.65	17,323	970,796	921,448	1,567	285,758	31	496,587	54	115	112
New Haven - Waterbury - Meriden	807.9	.3221	2.64	16,798	624,079	585,252	1,109	189,264	32	328,628	56	89	99
New London - Norwich	256.2	.1022	2.73	15,285	209,761	195,551	359	67,333	34	108,037	55	104	99
Non-Metro Portion of State	279.2	.1113	2.66	16,667	172,936	163,201	387	56,864	35	91,236	56	78	89
State Total	**3,301.1**	**1.3162**	**2.67**	**18,244**	**2,660,254**	**2,516,751**	**4,623**	**771,783**	**31**	**1,399,919**	**56**	**97**	**104**
DELAWARE													
Wilmington	584.4	.2330	2.72	15,448	409,147	379,335	650	155,350	41	184,209	49	90	124
Non-Metro Portion of State	226.8	.0904	2.69	11,910	195,777	187,810	374	78,700	42	90,043	48	122	66
State Total	**673.2**	**.2684**	**2.69**	**14,351**	**540,398**	**509,240**	**902**	**211,251**	**41**	**242,512**	**48**	**100**	**99**
DISTRICT OF COLUMBIA													
Washington	3,988.4	1.5900	2.69	19,862	3,664,904	3,569,072	5,252	1,210,868	34	1,792,144	50	124	135
State Total	**604.2**	**.2409**	**2.43**	**17,653**	**910,465**	**858,857**	**1,308**	**207,696**	**24**	**458,632**	**53**	**287**	**132**
FLORIDA													
Bradenton	215.6	.0859	2.32	14,196	167,520	159,607	234	58,527	37	86,178	54	98	91
Daytona Beach	379.8	.1514	2.41	13,245	320,017	293,830	507	120,089	41	149,900	51	98	95
Fort Lauderdale - Hollywood - Pompano Beach	1,278.4	.5098	2.38	16,972	1,272,569	1,171,983	1,926	355,179	30	723,316	62	116	94
Fort Myers - Cape Coral	345.2	.1376	2.39	15,093	324,702	312,640	492	88,729	28	199,422	64	115	85
Fort Pierce	258.9	.1032	2.48	13,460	182,568	176,073	297	64,567	37	95,066	54	91	80
Fort Walton Beach	146.9	.0586	2.70	12,934	146,378	139,130	234	51,017	37	75,121	54	155	81

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	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Gainesville	206.6	.0824	2.60	12,143	163,803	157,639	276	57,807	37	85,113	54	95	102
Jacksonville	927.1	.3696	2.64	13,674	785,491	746,600	1,205	373,569	50	309,802	41	122	110
Lakeland - Winter Haven	411.9	.1642	2.60	12,327	232,193	223,215	430	108,801	49	97,691	44	82	100
Melbourne - Titusville - Palm Bay	408.8	.1629	2.47	13,477	319,046	297,117	513	113,070	38	146,093	49	110	90
Miami - Hialeah	1,963.0	.7826	2.80	13,007	1,560,951	1,468,678	2,399	472,412	32	772,179	53	115	120
Naples	157.4	.0628	2.46	14,550	145,566	141,629	235	51,936	37	76,470	54	98	86
Ocala	200.5	.0800	2.49	10,850	129,801	125,084	216	45,868	37	67,536	54	90	75
Orlando	1,104.8	.4404	2.67	13,830	1,240,059	1,192,418	1,464	401,292	34	684,650	57	149	149
Panama City	129.2	.0515	2.59	10,197	154,337	139,674	240	51,218	37	75,414	54	112	67
Pensacola	348.8	.1390	2.68	12,687	236,654	218,340	390	118,864	54	86,144	39	102	105
Sarasota	282.7	.1128	2.21	15,684	302,535	292,192	460	71,613	25	197,265	68	128	73
Tallahassee	237.3	.0945	2.64	12,871	176,727	166,776	257	61,155	37	90,048	54	107	133
Tampa - St. Petersburg - Clearwater	2,110.1	.8413	2.38	14,073	1,645,567	1,552,506	2,595	583,418	38	808,670	52	101	102
West Palm Beach - Boca Raton - Delray Beach	896.4	.3574	2.36	18,191	844,273	798,149	1,207	223,089	28	519,737	65	118	112
Non-Metro Portion of State	1,209.4	.4825	2.53	11,441	657,574	612,295	1,220	274,691	45	311,315	51	70	85
State Total	**13,218.8**	**5.2704**	**2.52**	**13,958**	**11,008,331**	**10,385,575**	**16,797**	**3,746,911**	**36**	**5,657,130**	**54**	**109**	**104**
GEORGIA													
Albany	112.3	.0448	2.86	10,850	69,338	67,351	140	33,993	50	25,280	38	73	97
Athens	158.1	.0630	2.70	11,291	102,945	99,778	190	50,378	50	37,464	38	117	90
Atlanta	2,914.8	1.1623	2.68	15,257	[illegible]56,753	2,619,897	4,126	1,204,411	46	1,060,154	40	139	109
Augusta	400.1	.1594	2.78	11,699	281,145	272,498	430	141,745	52	92,535	34	103	109
Columbus	244.5	.0975	2.82	10,836	167,434	159,719	281	80,731	51	59,865	37	106	81
Macon - Warner Robins	284.0	.1131	2.73	12,555	201,394	192,938	343	97,380	50	72,426	38	113	102
Savannah	244.6	.0975	2.70	12,698	195,222	188,545	319	95,169	50	70,782	38	113	102
Non-Metro Portion of State	2,282.6	.9101	2.79	9,992	964,090	925,901	2,279	584,359	63	291,513	31	63	95
State Total	**6,586.6**	**2.6261**	**2.74**	**12,692**	**4,682,582**	**4,472,068**	**8,032**	**2,264,958**	**51**	**1,686,658**	**38**	**105**	**103**
HAWAII													
Honolulu	842.6	.3359	3.15	15,921	1,446,405	1,354,970	1,281	481,178	36	640,136	47	209	151
Non-Metro Portion of State	277.5	.1107	2.99	13,308	466,981	452,431	485	118,846	26	305,615	68	127	167
State Total	**1,120.1**	**.4466**	**3.11**	**15,274**	**1,913,386**	**1,807,401**	**1,766**	**600,024**	**33**	**945,751**	**52**	**180**	**155**
IDAHO													
Boise	208.1	.0829	2.65	13,673	152,519	141,744	299	63,112	45	67,683	48	91	90
Non-Metro Portion of State	801.3	.3195	2.83	11,019	396,006	354,491	1,041	161,833	46	171,579	48	72	78
State Total	**1,009.4**	**.4024**	**2.79**	**11,566**	**548,525**	**496,235**	**1,340**	**224,945**	**45**	**239,262**	**48**	**77**	**80**
ILLINOIS													
Aurora - Elgin	363.4	.1450	2.96	14,736	225,896	208,394	418	84,946	41	98,702	47	90	107
Bloomington - Normal	130.1	.0519	2.76	15,068	111,996	106,820	196	43,543	41	50,593	47	156	92
Champaign - Urbana - Rantoul	173.4	.0691	2.71	13,330	152,441	137,540	244	56,064	41	65,142	47	134	96
Chicago	6,077.3	2.4231	2.73	16,111	5,008,286	4,686,444	7,679	1,670,514	36	2,410,171	51	126	118
Davenport - Rock Island - Moline	348.4	.1388	2.58	14,865	269,911	238,277	473	108,612	46	106,814	45	98	90
Decatur	116.2	.0463	2.55	15,034	85,362	76,290	149	31,098	41	36,133	47	112	104
Joliet	393.1	.1567	3.02	14,708	176,264	161,304	390	65,751	41	76,397	47	91	107
Kankakee	96.0	.0382	2.78	12,302	52,600	48,720	109	19,858	41	23,075	47	85	90
Lake County	525.8	.2097	2.97	18,978	376,717	349,727	661	129,456	37	179,231	51	106	107
Peoria	338.1	.1347	2.62	15,904	216,820	200,370	462	93,424	47	80,989	40	100	102
Rockford	284.2	.1133	2.64	14,498	190,341	173,687	368	70,798	41	82,263	47	94	97

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	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Springfield	189.9	.0756	2.48	13,561	157,599	145,590	270	59,348	41	68,956	47	124	96
Non-Metro Portion of State	1,974.0	.7872	2.62	12,081	945,366	846,761	2,530	459,434	54	330,897	39	79	66
State Total	**11,449.1**	**4.5648**	**2.72**	**15,048**	**8,189,410**	**7,573,645**	**14,402**	**2,993,086**	**40**	**3,669,148**	**48**	**111**	**103**
INDIANA													
Anderson	130.1	.0519	2.62	12,093	74,976	67,086	145	34,880	52	26,002	39	87	90
Bloomington	109.6	.0437	2.77	12,146	81,764	76,165	158	39,601	52	29,521	39	117	77
Elkhart - Goshen	157.6	.0629	2.76	11,955	101,595	96,645	212	50,249	52	37,460	39	105	83
Evansville	279.2	.1114	2.57	13,041	201,747	190,768	388	99,313	52	73,840	39	108	91
Fort Wayne	365.8	.1459	2.67	13,173	269,899	247,236	504	106,284	43	128,148	52	117	98
Gary - Hammond	603.2	.2405	2.80	11,992	331,652	314,766	756	155,719	49	131,626	42	92	86
Indianapolis	1,258.1	.5016	2.60	14,000	1,043,422	988,930	1,734	523,629	53	339,547	34	143	101
Kokomo	96.3	.0385	2.58	13,506	72,133	67,048	142	34,861	52	25,987	39	114	84
Lafayette - West Lafayette	131.2	.0523	2.86	12,422	96,588	88,644	165	46,089	52	34,359	39	124	97
Muncie	119.3	.0475	2.65	11,610	78,594	73,051	138	37,982	52	28,315	39	109	91
South Bend - Mishawaka	247.7	.0987	2.67	12,599	176,552	163,330	357	84,922	52	63,308	39	103	84
Terre Haute	130.3	.0519	2.66	11,959	82,460	76,907	173	39,987	52	29,808	39	114	80
Non-Metro Portion of State	1,749.5	.6974	2.72	10,953	775,767	715,763	2,115	395,479	55	261,275	37	81	71
State Total	**5,556.7**	**2.2155**	**2.68**	**12,273**	**3,478,268**	**3,250,516**	**7,190**	**1,699,168**	**52**	**1,238,685**	**38**	**107**	**86**
IOWA													
Cedar Rapids	169.3	.0675	2.58	15,166	144,828	131,704	232	58,149	44	61,376	47	104	99
Davenport - Rock Island - Moline	348.4	.1388	2.58	14,865	269,911	238,277	473	108,612	46	106,814	45	98	90
Des Moines	396.0	.1579	2.56	14,594	325,756	298,981	539	123,471	41	135,625	45	88	102
Dubuque	86.2	.0343	2.81	11,972	68,809	61,534	129	27,168	44	28,676	47	95	74
Iowa City	96.9	.0387	2.66	14,028	84,885	74,227	112	32,772	44	34,589	47	94	118
Sioux City	115.0	.0459	2.68	11,686	82,370	73,126	159	32,283	44	34,076	47	80	76
Waterloo - Cedar Falls	145.4	.0580	2.65	15,060	93,094	83,259	188	36,760	44	38,800	47	93	95
Non-Metro Portion of State	1,545.2	.6162	2.60	11,549	726,967	643,837	2,192	285,707	44	326,929	51	66	66
State Total	**2,770.3**	**1.1046**	**2.61**	**12,709**	**1,691,466**	**1,515,158**	**3,840**	**666,101**	**44**	**725,255**	**48**	**79**	**78**
KANSAS													
Kansas City	1,584.7	.6319	2.60	15,373	1,230,352	1,177,701	1,989	562,363	48	478,931	41	107	115
Lawrence	82.9	.0330	2.71	13,188	60,979	56,586	95	29,401	52	20,922	37	110	96
Topeka	162.0	.0645	2.52	15,573	130,711	122,294	245	63,542	52	45,217	37	104	94
Wichita	458.6	.1828	2.60	15,533	373,635	360,200	737	173,669	48	140,085	39	112	87
Non-Metro Portion of State	1,170.7	.4669	2.62	11,626	582,274	552,042	1,760	291,327	53	205,607	37	78	63
State Total	**2,491.1**	**.9932**	**2.62**	**13,965**	**1,566,326**	**1,497,850**	**3,510**	**762,881**	**51**	**561,275**	**37**	**92**	**82**
KENTUCKY													
Clarksville - Hopkinsville	170.6	.0681	3.02	10,211	95,546	90,619	189	47,036	52	35,471	39	135	74
Huntington - Ashland	310.7	.1239	2.61	10,512	161,561	156,241	343	93,000	60	49,493	32	85	78
Lexington-Fayette	351.1	.1399	2.60	13,249	331,289	320,009	478	158,743	50	122,061	38	142	107
Louisville	953.0	.3801	2.59	13,043	747,612	706,020	1,136	384,108	54	257,970	37	117	105
Owensboro	87.2	.0347	2.64	11,354	58,723	54,383	114	30,850	57	19,010	35	95	83
Non-Metro Portion of State	1,969.8	.7854	2.70	9,728	811,836	797,323	1,717	520,024	65	231,113	29	67	90
State Total	**3,687.3**	**1.4701**	**2.67**	**11,182**	**2,229,881**	**2,146,574**	**3,796**	**1,214,002**	**57**	**754,561**	**35**	**95**	**97**
LOUISIANA													
Alexandria	131.0	.0522	2.87	10,238	71,504	68,735	129	32,597	47	25,200	37	66	98
Baton Rouge	528.2	.2105	2.81	12,671	319,999	304,140	543	152,048	50	108,688	36	61	117

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	12/31/90			1990									
					Eating Place		Fast Food		Restaurant				
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Houma - Thibodaux	182.2	.0726	3.02	11,517	95,834	91,252	173	43,275	47	33,456	37	56	101
Lafayette	208.0	.0830	2.78	12,143	163,726	159,008	235	75,407	47	58,295	37	80	111
Lake Charles	168.1	.0670	2.79	11,761	94,301	91,091	165	43,199	47	33,395	37	57	105
Monroe	141.9	.0566	2.82	9,976	110,070	108,346	193	51,381	47	39,722	37	85	74
New Orleans	1,236.3	.4930	2.72	12,272	1,090,640	1,015,338	1,524	411,911	41	437,952	43	92	108
Shreveport	333.0	.1328	2.70	11,675	228,540	220,309	353	113,969	52	82,215	37	91	100
Non-Metro Portion of State	1,278.0	.5096	2.93	9,043	377,689	361,747	923	222,542	62	102,919	28	39	100
State Total	**4,206.7**	**1.6773**	**2.82**	**11,093**	**2,552,303**	**2,419,966**	**4,238**	**1,146,329**	**47**	**921,842**	**38**	**69**	**105**
MAINE													
Bangor	147.5	.0588	2.71	12,321	101,580	97,803	177	35,166	36	55,805	57	66	95
Lewiston - Auburn	106.1	.0423	2.63	12,726	72,710	70,001	129	25,167	36	39,943	57	68	86
Portland	245.3	.0978	2.57	15,495	280,617	269,136	429	96,769	36	153,569	57	106	90
Non-Metro Portion of State	739.4	.2948	2.65	12,256	496,109	478,621	1,172	172,454	36	273,669	57	76	69
State Total	**1,238.3**	**.4937**	**2.64**	**12,946**	**951,016**	**915,561**	**1,907**	**329,556**	**36**	**522,986**	**57**	**81**	**78**
MARYLAND													
Baltimore	2,404.9	.9588	2.71	15,044	1,801,338	1,646,976	2,739	686,234	42	685,354	42	106	120
Cumberland	101.3	.0403	2.56	10,949	59,112	56,010	146	23,664	42	24,915	44	86	72
Hagerstown	122.1	.0487	2.71	11,991	62,935	56,852	137	23,885	42	25,377	45	68	105
Non-Metro Portion of State	346.4	.1382	2.70	12,752	310,771	295,527	551	118,717	40	162,220	55	113	81
State Total	**4,843.7**	**1.9312**	**2.73**	**16,499**	**3,526,714**	**3,310,089**	**5,681**	**1,355,135**	**41**	**1,490,327**	**45**	**100**	**118**
MASSACHUSETTS													
Boston - Lawrence - Salem - Lowell - Brockton	3,791.4	1.5117	2.68	18,006	4,011,876	3,758,379	5,339	997,432	27	2,182,655	58	125	117
New Bedford - Fall River - Attleboro	509.1	.2030	2.70	13,313	436,850	404,939	666	155,524	38	208,589	52	96	81
Pittsfield	139.0	.0555	2.56	14,352	138,836	128,307	250	36,312	28	83,554	65	107	76
Springfield	606.6	.2419	2.74	13,664	508,124	457,201	757	152,990	33	266,076	58	107	93
Worcester - Fitchburg - Leominster	717.5	.2860	2.73	15,325	554,179	516,514	887	172,091	33	284,605	55	106	99
Non-Metro Portion of State	278.6	.1109	2.43	15,277	442,818	416,610	782	85,811	21	311,582	75	138	57
State Total	**6,042.2**	**2.4090**	**2.68**	**16,647**	**6,092,683**	**5,681,950**	**8,681**	**1,600,160**	**28**	**3,337,061**	**59**	**119**	**104**
MICHIGAN													
Ann Arbor	284.8	.1136	2.70	14,415	246,499	234,839	370	97,729	42	115,103	49	143	126
Battle Creek	136.1	.0543	2.62	14,452	88,164	80,652	189	33,565	42	39,529	49	92	93
Benton Harbor	161.4	.0643	2.65	12,567	114,286	105,545	230	43,924	42	51,731	49	111	73
Detroit	4,387.9	1.7495	2.71	14,603	3,232,075	2,979,067	5,075	1,226,665	41	1,386,949	47	120	105
Flint	429.1	.1711	2.67	12,052	285,555	254,277	513	120,732	47	114,186	45	99	89
Grand Rapids	696.2	.2777	2.82	13,823	449,167	420,097	768	163,863	39	225,239	54	122	118
Jackson	150.4	.0600	2.79	12,917	84,153	75,869	169	31,573	42	37,185	49	113	95
Kalamazoo	224.5	.0895	2.67	14,802	174,057	164,144	309	68,310	42	80,452	49	144	103
Lansing - East Lansing	434.5	.1731	2.76	13,645	303,241	274,763	497	123,130	45	135,923	49	122	111
Muskegon	159.6	.0636	2.75	12,015	100,889	93,599	208	38,951	42	45,875	49	114	81
Saginaw - Bay City - Midland	398.5	.1590	2.69	12,737	266,213	241,134	413	96,785	40	131,906	55	111	106
Non-Metro Portion of State	1,860.1	.7415	2.73	11,072	914,885	801,166	2,471	322,467	40	435,712	54	65	60
State Total	**9,323.1**	**3.7172**	**2.72**	**13,489**	**6,259,184**	**5.725,152**	**11,212**	**2,367,694**	**41**	**2,799,790**	**49**	**107**	**95**

24TH ANNUAL RGI

1990 METRO REPORT

STATE Metro Name	12/31/90				1990								
						Eating Place		Fast Food		Restaurant			
	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
MINNESOTA													
Duluth	238.5	.0950	2.52	12,975	146,472	123,012	338	45,343	37	65,318	53	78	78
Fargo - Moorhead	154.4	.0615	2.65	12,705	127,449	109,925	211	54,371	49	52,689	48	101	92
Minneapolis - St. Paul	2,501.4	.9972	2.63	16,054	2,098,155	1,937,225	2,844	708,544	37	1,002,524	52	116	137
Rochester	107.6	.0429	2.66	15,580	82,716	78,284	128	28,859	37	41,573	53	97	141
St. Cloud	193.1	.0770	2.97	10,947	109,332	93,339	212	34,406	37	49,566	53	90	82
Non-Metro Portion of State	1,413.6	.5638	2.67	10,317	708,233	622,392	-1,867	229,228	37	359,043	58	74	61
State Total	**4,412.0**	**1.7591**	**2.66**	**13,814**	**3,110,824**	**2,829,274**	**5,332**	**1,036,446**	**37**	**1,505,123**	**53**	**100**	**105**
MISSISSIPPI													
Biloxi - Gulfport	197.5	.0787	2.76	11,499	136,725	128,973	246	75,930	59	38,537	30	107	88
Jackson	397.4	.1583	2.82	12,140	250,436	247,712	453	124,972	50	90,685	37	123	107
Pascagoula	115.1	.0459	2.85	11,220	53,167	51,412	121	30,267	59	15,362	30	87	104
Non-Metro Portion of State	1,794.5	.7156	2.83	8,982	594,511	584,072	1,645	377,961	65	156,153	27	59	86
State Total	**2,575.3**	**1.0268**	**2.82**	**9,838**	**1,055,747**	**1,032,098**	**2,513**	**620,974**	**60**	**307,462**	**30**	**73**	**92**

Real Cheese Can Make Your Menu Over...

For information circle number 15

ANNUAL

1990
METRO REPORT

STATE Metro Name	12/31/90 Population (Thous.)	% Of U.S.	Average Household Size	1990 Per Capita EBI	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Units	Fast Food Sales ($000)	Market Share (%)	Restaurant Sales ($000)	Market Share (%)	RAI	RGI
MISSOURI													
Columbia	113.1	.0451	2.68	13,896	79,397	73,795	140	35,023	47	29,460	40	112	96
Joplin	135.6	.0540	2.54	10,880	87,934	83,673	194	39,711	47	33,402	40	90	59
Kansas City	1,584.7	.6319	2.60	15,373	1,230,352	1,177,701	1,989	562,363	48	478,931	41	107	115
St. Joseph	82.8	.0330	2.56	12,541	58,940	54,454	110	25,844	47	21,739	40	97	88
St. Louis	2,456.9	.9796	2.64	15,002	1,941,579	1,815,024	3,121	859,267	47	671,951	37	112	108
Springfield	243.3	.0970	2.57	12,196	186,967	178,948	326	84,932	47	71,437	40	114	97
Non-Metro Portion of State	1,735.2	.6918	2.64	10,004	707,279	673,685	2,145	369,135	55	267,363	40	71	58
State Total	**5,145.1**	**2.0513**	**2.61**	**13,233**	**3,531,629**	**3,346,325**	**6,701**	**1,619,153**	**48**	**1,316,503**	**39**	**102**	**93**
MONTANA													
Billings	113.0	.0451	2.54	12,399	113,170	94,131	204	37,042	39	50,439	54	84	73
Great Falls	77.5	.0309	2.57	12,107	66,117	52,333	128	20,593	39	28,043	54	91	69
Non-Metro Portion of State	606.7	.2419	2.63	10,871	396,252	314,188	1,039	119,485	38	175,683	56	76	61
State Total	**797.2**	**.3179**	**2.61**	**11,208**	**575,539**	**460,652**	**1,371**	**177,120**	**38**	**254,165**	**55**	**79**	**64**

And Over...

Garden-Style Pizza

Take advantage of your patrons' love of pizza while you tap into the vegetarian market with a meatless pizza that's heavy on the cheese! We combined assorted vegetables with fresh spices, and added loads of shredded Cheddar, Mozzarella and Parmesan cheeses. Then, we layered it high on a delicate cornmeal crust. This Garden-Style Pizza will satisfy real cheese pizza lovers!

For information circle number 15

And Over...

American Antipasto

You'll increase your check averages when you tempt your customers to upgrade from a basic dinner salad to the American Antipasto. We've marinated Cheddar, American and Mozzarella cheeses with salami and assorted fresh vegetables, and topped it off with an Italian signature-style dressing. Increase your profits by making the American Antipasto your signature salad!

24TH ANNUAL RGI

1990 METRO REPORT

	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
NEBRASKA													
Lincoln	215.4	.0859	2.58	15,432	159,189	142,534	288	65,135	46	65,844	46	103	107
Omaha	621.3	.2478	2.66	15,334	498,540	442,486	808	195,012	44	204,222	46	102	108
Non-Metro Portion of State	808.6	.3222	2.60	10,873	419,020	359,336	1,234	165,910	46	171,682	48	84	59
State Total	**1,579.4**	**.6297**	**2.62**	**13,109**	**1,034,273**	**906,372**	**2,239**	**408,206**	**45**	**425,115**	**47**	**93**	**82**
NEVADA													
Las Vegas	773.4	.3084	2.58	13,459	665,294	571,564	826	236,985	41	248,585	43	97	425
Reno	260.0	.1036	2.49	15,159	195,172	175,899	335	75,027	43	80,584	46	83	328
Non-Metro Portion of State	210.7	.0840	2.67	12,689	131,279	113,132	240	47,502	42	51,940	46	80	263
State Total	**1,244.1**	**.4960**	**2.58**	**13,684**	**991,745**	**860,595**	**1,401**	**359,514**	**42**	**381,109**	**44**	**91**	**374**
NEW HAMPSHIRE													
Manchester - Nashua	341.3	.1361	2.70	18,063	308,376	301,776	450	98,929	33	175,625	58	88	122

And Over...

Ham 'n Cheese Biscuits

Why serve ordinary biscuits when you can serve a multi-daypart treat like this? Ham 'n Cheese Biscuits are easy to make, but have the added flavor thrill of diced ham, finely chopped parsley and shredded real Cheddar cheese baked right into them. Make any daypart, breakfast, lunch, or dinner, more profitable by baking up a batch of these down home morsels and serving with a wide variety of entrees.

For information circle number 15

And Over...

Chili Au Gratin

Dress up ordinary chili with just the right touch of America's favorite real cheese. Any cowboy will love our classic chili recipe made with ground beef, kidney beans, tomatoes, ground cumin and oregano. And they'll flip for the added crunch and punch of bread crumbs and real bubbling baked American cheese on top. Serve with garlic herb toast, and you've got a new menu pod'ner to help you lasso even bigger profits. Yippeecayay!

24TH ANNUAL RGI

1990 METRO REPORT

	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Portsmouth - Dover - Rochester	356.6	.1422	2.76	16,198	351,326	342,372	496	100,255	29	214,002	63	92	99
Non-Metro Portion of State	429.3	.1712	2.65	13,967	378,223	374,367	742	109,621	29	233,994	63	79	78
State Total	**1,127.2**	**.4495**	**2.70**	**15,913**	**1,037,925**	**1,018,515**	**1,688**	**308,805**	**30**	**623,621**	**61**	**86**	**96**
NEW JERSEY													
Atlantic City	323.0	.1287	2.59	13,735	446,852	397,132	776	126,660	32	251,179	63	136	316
Bergen - Passaic	1,276.9	.5092	2.75	21,206	1,035,479	957,323	1,711	263,372	28	494,769	52	90	115
Jersey City	550.9	.2196	2.65	14,236	278,088	234,530	572	83,325	36	119,224	51	68	112
Middlesex - Somerset - Hunterdon	1,031.4	.4112	2.79	21,808	754,754	679,151	1,203	216,957	32	371,089	55	80	138
Monmouth - Ocean	1,000.9	.3991	2.70	18,752	728,006	652,119	1,327	185,289	28	411,552	63	76	92
Newark	1,822.7	.7267	2.80	19,188	1,296,057	1,166,305	2,203	351,606	30	560,570	48	81	126
Trenton	328.1	.1308	2.79	20,704	262,481	228,076	443	71,325	31	119,826	53	91	122
Vineland - Millville - Bridgeton	138.5	.0552	2.93	13,192	64,080	56,176	150	17,585	31	29,978	53	50	98
State Total	**7,768.8**	**3.0974**	**2.77**	**18,738**	**5,656,450**	**5,086,683**	**9,744**	**1,563,496**	**31**	**2,722,454**	**54**	**82**	**133**

And Over...

Smoked Turkey and Cheese

Cash in on the sandwich market boom with the tasty zip of real cheese sandwich lovers love. We started with smoked turkey, added a zesty mustard sauce, and heaped on the real Mozzarella cheese. Then we piled it high on fresh pumpernickel with juicy tomatoes and zingy green peppers. This Smoked Turkey and Cheese can put real bite into your sandwich menu—and it's a carry-out winner, too!

For information circle number 15

And Over...

Taco Salad Grande

Send check averages spiraling when you cross the border by upgrading chicken salad into a fiesta of real Cheddar cheese. We've taken basic chicken salad and given it a Mexican flair with guacamole, mild green onion, and loads of grated real Cheddar cheese. Our Taco Salad Grande can be your answer to the ethnic craze. And remember, Mexican dishes are especially hot!

24TH ANNUAL R&I

1990
METRO REPORT

STATE Metro Name	12/31/90 Population (Thous.)	% Of U.S.	Average House-hold Size	1990 Per Capita EBI	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Eating Place Units	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
NEW MEXICO													
Albuquerque	491.3	.1959	2.59	12,308	435,928	408,691	717	171,578	42	195,089	48	134	92
Las Cruces	138.6	.0553	3.01	8,828	65,216	58,129	153	25,557	44	26,863	46	97	70
Santa Fe	118.7	.0473	2.60	14,860	106,549	102,698	186	45,150	44	47,459	46	161	94
Non-Metro Portion of State	786.2	.3134	2.93	9,333	387,110	358,218	963	178,926	50	149,222	42	74	69
State Total	**1,534.8**	**.6119**	**2.79**	**10,667**	**994,803**	**927,736**	**2,019**	**421,211**	**45**	**418,633**	**45**	**101**	**80**
NEW YORK													
Albany - Schenectady - Troy	879.9	.3510	2.60	15,470	663,119	621,822	1,267	202,029	32	340,164	55	86	93
Binghamton	264.4	.1054	2.63	15,287	184,343	164,980	315	45,890	28	89,721	54	87	110
Buffalo	966.3	.3852	2.57	14,176	710,071	649,634	1,456	258,949	40	309,002	48	86	79
Elmira	95.4	.0380	2.69	12,328	62,043	56,644	120	15,755	28	30,805	54	95	81
Glens Falls	119.6	.0477	2.76	12,565	98,913	91,932	259	25,571	28	49,996	54	81	58
Jamestown - Dunkirk	141.4	.0564	2.64	11,920	75,222	64,682	199	25,084	39	33,520	52	63	72
Nassau - Suffolk	2,616.2	1.0431	3.05	20,554	2,036,043	1,922,245	3,674	488,799	25	1,055,561	55	79	100
New York	8,592.1	3.4259	2.63	15,967	6,416,483	6,035,834	10,730	1,359,403	23	3,398,650	56	130	111
Niagara Falls	220.6	.0879	2.60	13,168	143,109	132,038	366	36,728	28	71,806	54	85	70

And, A Menu Makeover Can Make You Money Over...And Over...And Over...

How can a Real Cheese Menu Makeover make you money over and over again? By making your entire menu more profitable with the added value and great taste of real cheese. Here's how it works.

Increases your menu's selling power.

When you add real cheese to a menu item, it gives your patrons the irresistible flavor they're looking for. And, because they place a higher value on dishes made with real cheese, you can charge more for them.

Turns your slow movers into hot sellers.

A Real Cheese Menu Makeover keeps your menu up to date with, and helps you profit from, ongoing ethnic trends. Any way you look at it, a Real Cheese Menu Makeover will help you make more money.

Send for your kit, today!

Our Real Cheese Menu Makeover kit includes recipe cards of the delicious dishes you've just seen, plus additional great tasting real cheese recipes. You'll also receive value-added menu ideas and loads of side dish suggestions to complement your updated menu items.

Give your menu the makeover it needs. Just write to: American Dairy Association, Foodservice Division, Department R12, Dairy Center, 6300 North River Road, Rosemont, IL 60018-4289.

REAL POSSIBILITIES
They're Endless

REAL
Your assurance of a REAL dairy food

America's Dairy Farmers
American Dairy Association

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For information circle number 15

24TH ANNUAL RGI

1990 METRO REPORT

STATE Metro Name	12/31/90 Population (Thous.)	% Of U.S.	Average Household Size	1990 Per Capita EBI	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Eating Place Units	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Orange County	312.7	.1247	3.03	14,309	201,728	189,910	415	52,824	28	103,279	54	67	82
Poughkeepsie	262.2	.1046	2.89	17,147	171,473	162,379	383	45,166	28	88,307	54	70	97
Rochester	1,004.9	.4005	2.68	15,627	716,541	669,198	1,272	259,082	39	326,487	49	81	107
Syracuse	661.0	.2635	2.71	14,316	522,249	481.313	957	163,911	34	238,308	50	94	90
Utica - Rome	316.3	.1261	2.70	12,640	203,224	190,505	434	52,990	28	103,603	54	88	75
Non-Metro Portion of State	1,612.5	.6429	2.80	11,992	893,565	810,912	2,212	314,552	39	420,289	52	67	74
State Total	**18,065.5**	**7.2029**	**2.71**	**15,890**	**13,098,126**	**12,244,028**	**24,059**	**3,346,733**	**27**	**6,659,498**	**54**	**98**	**99**
NORTH CAROLINA													
Asheville	175.9	.0701	2.47	12,449	147,296	145,585	253	76,166	52	53,672	37	109	96
Burlington	109.0	.0434	2.53	12,095	73,995	73,107	156	38,247	52	26,952	37	90	78
Charlotte - Gastonia - Rock Hill	1,181.4	.4710	2.64	13,400	847,554	825,132	1,542	427,378	52	305,229	37	107	102
Fayetteville	275.8	.1100	3.00	10,692	155,852	151,044	288	79,020	52	55,685	37	108	90
Greensboro - Winston-Salem - High Point	949.6	.3787	2.53	13,833	687,445	677,550	1,278	312,279	46	254,541	38	115	94
Hickory - Morganton	223.4	.0891	2.60	12,563	144,732	142,061	340	74,321	52	52,370	37	93	82
Jacksonville	151.5	.0604	3.67	8,147	81,920	76,057	143	39,769	52	28,039	37	127	66
Raleigh - Durham	750.2	.2991	2.55	15,276	985,503	965,861	1,091	457,326	47	395,641	41	191	110
Wilmington	121.4	.0484	2.50	11,907	127,685	124,031	231	64,890	52	45,725	37	124	65
Non-Metro Portion of State	2,888.5	1.1516	2.65	10,356	1,348,780	1,333,515	3,283	743,575	56	486,233	36	71	82
State Total	**6,693.1**	**2.6585**	**2.63**	**12,052**	**4,514,364**	**4,428,307**	**8,468**	**2,258,056**	**51**	**1,681,198**	**38**	**102**	**90**
NORTH DAKOTA													
Bismarck	83.8	.0335	2.67	12,884	59,186	54,008	103	26,620	49	25,937	48	101	118
Fargo - Moorhead	154.4	.0615	2.65	12,705	127,449	109,325	211	54,371	49	52,689	48	101	92
Grand Forks	71.0	.0283	2.78	14,426	51,532	43,571	95	21,479	49	20,930	48	94	101
Non-Metro Portion of State	377.5	.1505	2.65	11,286	192,262	151,029	562	72,269	48	73,847	49	74	59
State Total	**636.2**	**.2537**	**2.65**	**12,229**	**403,287**	**334,277**	**907**	**164,942**	**49**	**160,446**	**48**	**87**	**77**
OHIO													
Akron	658.6	.2626	2.64	13,144	454,734	424,748	835	188,027	44	206,158	49	101	90
Canton	394.2	.1572	2.64	12,207	239,105	224,720	534	107,763	48	106,573	47	85	76
Cincinnati	1,457.8	.5812	2.65	14,416	1,254,553	1,172.371	1,838	495,675	42	540,692	46	114	109
Cleveland	1,825.8	.7279	2.57	14,894	1,328,851	1,220,785	2,310	516,902	42	569,376	47	103	101
Columbus	1,389.7	.5542	2.63	13,490	1,094,796	1,016,076	1,757	505,333	50	417,193	41	127	105
Dayton - Springfield	953.8	.3803	2.61	13,608	680,605	635,213	1,150	332,776	52	243,579	38	106	99
Hamilton - Middletown	294.2	.1173	2.79	12,111	159,456	144,925	279	68,726	47	62,773	43	87	98
Lima	154.6	.0617	2.79	11,931	99,317	94,405	246	44,769	47	40,890	43	92	68
Lorain - Elyria	271.3	.1082	2.82	12,719	129,487	116,823	310	55,400	47	50,600	43	81	89
Mansfield	126.0	.0503	2.65	12,149	80,611	74,742	173	35,443	47	32,373	43	92	79
Parkersburg - Marietta	148.4	.0592	2.58	11,657	85,950	82,402	175	49,278	60	25,876	31	83	87
Steubenville - Weirton	141.2	.0563	2.59	11,974	60,735	54,363	165	25,747	47	23,578	43	66	85
Toledo	614.8	.2451	2.66	13,183	455,324	417,835	827	176,330	42	197,753	47	104	86
Youngstown - Warren	490.2	.1953	2.63	12,701	296,075	268,809	631	123,628	46	117,157	44	92	78
Non-Metro Portion of State	2,284.0	.9105	2.75	11,266	1,072,111	974,841	2,723	500,325	51	405,547	42	77	73
State Total	**10,864.4**	**4.3317**	**2.65**	**13,149**	**7,184,239**	**6,631,868**	**13,531**	**3,085,356**	**47**	**2,912,958**	**44**	**99**	**92**
OKLAHOMA													
Enid	55.7	.0222	2.53	11,429	32,988	32,010	103	15,943	50	11,333	35	85	52
Lawton	111.2	.0443	2.97	10,255	60,276	57,273	141	28,523	50	20,278	35	95	68
Oklahoma City	962.1	.3837	2.61	12,016	753,660	732,125	1,594	336,711	46	274,308	37	109	68

24TH ANNUAL R&I

1990
METRO REPORT

	12/31/90			1990										
						Eating Place		Fast Food		Restaurant				
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Tulsa	711.0	.2835	2.56	12,384	516,620	500,819	1,026	240,321	48	178,877	36	90	80
Non-Metro Portion of State	1,268.9	.5058	2.61	9,399	506,027	491,986	1,538	275,623	56	152,113	31	58	62
State Total	**3,143.0**	**1.2531**	**2.61**	**10,915**	**1,884,118**	**1,828,571**	**4,433**	**900,124**	**49**	**638,894**	**35**	**83**	**68**
OREGON													
Eugene - Springfield	284.3	.1133	2.55	11,456	225,746	208,210	425	82,355	40	108,717	52	100	74
Medford	148.0	.0590	2.56	11,113	122,361	112,950	223	44,676	40	58,976	52	111	61
Portland	1,252.0	.4991	2.55	14,676	1,189,446	1,083,617	1,743	403,592	37	570,078	53	128	104
Salem	280.5	.1119	2.73	10,296	192,332	179,365	379	70,945	40	93,654	52	100	63
Non-Metro Portion of State	898.7	.3584	2.58	10,768	673,297	620,080	1,465	253,913	41	333,928	54	93	58
State Total	**2,863.5**	**1.1417**	**2.58**	**12,517**	**2,403,182**	**2,204,222**	**4,235**	**855,481**	**39**	**1,165,353**	**53**	**110**	**79**
PENNSYLVANIA													
Allentown - Bethlehem - Easton	692.3	.2761	2.64	14,406	440,006	407,505	861	143,646	35	193,657	48	79	96
Altoona	130.3	.0519	2.60	11,763	83,275	77,866	170	28,277	36	39,795	51	68	78
Beaver County	185.0	.0738	2.59	12,638	87,633	78,682	180	28,574	36	40,212	51	74	101
Erie	275.1	.1097	2.71	13,610	191,226	171,525	351	62,292	36	87,663	51	90	96
Harrisburg - Lebanon - Carlisle	591.5	.2358	2.60	15,156	395,028	358,442	731	149,657	42	176,332	49	96	119
Johnstown	239.7	.0956	2.63	10,188	110,527	97,770	253	35,505	36	49,966	51	65	75
Lancaster	429.6	.1713	2.80	13,910	306,696	286,640	474	89,965	31	178,646	62	90	118
Philadelphia	4,886.9	1.9484	2.73	15,970	3,275,217	2,961,796	5,394	962,051	32	1,537,658	52	83	120
Pittsburgh	2,047.2	.8163	2.51	14,126	1,464,175	1,335,430	2,588	489,003	37	675,528	51	98	95
Reading	338.8	.1351	2.64	13,872	237,976	223,137	463	77,836	35	127,749	57	98	88
Scranton - Wilkes-Barre	736.3	.2935	2.62	12,400	474,215	446,327	1,009	176,982	40	225,445	51	86	85
Sharon	120.5	.0481	2.65	12,709	62,799	55,833	155	20,277	36	28,534	51	81	75
State College	124.6	.0497	2.90	11,313	95,649	89,814	162	32,616	36	45,901	51	122	75
Williamsport	119.1	.0474	2.64	12,413	65,622	58,243	151	21,151	36	29,766	51	66	88
York	421.6	.1680	2.66	13,973	259,394	237,031	473	91,591	39	123,470	52	86	109
Non-Metro Portion of State	1,804.8	.7196	2.67	11,575	881,370	800,783	2,179	338,716	42	384,852	48	72	59
State Total	**11,912.4**	**4.7495**	**2.64**	**13,993**	**7,675,185**	**7,002,110**	**14,289**	**2,512,664**	**36**	**3,598,772**	**51**	**86**	**98**
RHODE ISLAND													
Providence - Pawtucket - Woonsocket	921.4	.3674	2.65	14,284	740,007	674,193	1,293	227,596	34	380,419	56	103	86
Non-Metro Portion of State	87.5	.0349	2.67	16,171	118,031	107,844	191	32,736	30	66,275	61	190	77
State Total	**1,008.9**	**.4023**	**2.66**	**14,447**	**858,038**	**782,037**	**1,484**	**260,332**	**33**	**446,694**	**57**	**110**	**85**
SOUTH CAROLINA													
Anderson	146.2	.0583	2.62	11,602	80,999	78,715	167	38,807	49	31,301	40	74	91
Charleston	515.5	.2055	2.85	11,422	381,005	364,110	576	149,209	41	173,603	48	102	106
Charlotte - Gastonia - Rock Hill	1,181.4	.4710	2.64	13,400	847,554	825,132	1,542	[illegible]	52	305,229	37	107	102
Columbia	458.3	.1827	2.78	13,710	376,838	367,242	588	[illegible]	47	130,578	36	123	104
Florence	114.8	.0458	2.84	9,837	66,364	65,557	131	32,321	49	26,068	40	74	105
Greenville - Spartanburg	647.5	.2580	2.66	12,045	445,680	436,579	803	232,743	53	159,941	37	93	95
Non-Metro Portion of State	1,383.0	.5516	2.81	10,091	806,587	780,341	1,617	381,632	49	332,556	43	85	92
State Total	**3,521.1**	**1.4039**	**2.77**	**11,307**	**2,312,904**	**2,246,666**	**4,133**	**1,097,015**	**49**	**901,240**	**40**	**93**	**97**
SOUTH DAKOTA													
Rapid City	82.4	.0329	2.66	13,592	72,282	66,163	139	26,909	41	35,531	54	97	81
Sioux Falls	125.1	.0498	2.60	15,342	109,659	97,304	179	39,575	41	52,253	54	104	108

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1990 METRO REPORT

STATE Metro Name	12/31/90				1990								
	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Eating Place Units	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Non-Metro Portion of State	489.9	.1953	2.72	10,716	238,797	201,632	751	73,182	36	117,349	58	73	58
State Total	**697.4**	**.2780**	**2.69**	**11,886**	**420,738**	**365,099**	**1,069**	**139,666**	**38**	**205,133**	**56**	**84**	**70**
TENNESSEE													
Chattanooga	435.2	.1736	2.60	11,829	276,848	272,973	560	152,455	56	99,557	36	102	87
Clarksville - Hopkinsville	170.6	.0681	3.02	10,211	95,546	90,619	189	47,036	52	35,471	39	135	74
Jackson	78.1	.0312	2.63	11,963	44,594	42,449	89	21,932	52	16,703	39	79	105
Johnson City - Kingsport - Bristol	436.4	.1741	2.56	11,636	233,035	229,848	462	142,298	62	64,945	28	97	93
Knoxville	608.4	.2426	2.54	12,494	465,392	451,672	810	206,084	46	211,487	47	125	100
Memphis	990.6	.3949	2.75	12,221	605,591	592,610	1,070	287,752	49	222,440	38	112	120
Nashville	997.5	.3975	2.62	14,254	812,792	796,855	1,266	378,369	47	348,530	44	141	115
Non-Metro Portion of State	1,581.3	.6305	2.63	10,474	540,615	533,852	1,478	338,654	63	168,000	31	63	91
State Total	**4,906.3**	**1.9562**	**2.63**	**12,075**	**2,911,814**	**2,851,687**	**5,581**	**1,478,429**	**52**	**1,118,221**	**39**	**106**	**102**
TEXAS													
Abilene	119.5	.0477	2.77	11,037	87,273	82,354	159	37,984	46	32,271	39	136	66

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24TH ANNUAL RGI

1990
METRO REPORT

	12/31/90			1990									
STATE Metro Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Eating Place Units	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Amarillo	188.0	.0750	2.61	13,357	168,996	160,083	314	73,836	46	62,727	39	98	72
Austin	798.0	.3181	2.57	14,226	695,355	656,786	1,152	288,147	44	282,055	43	89	95
Beaumont - Port Arthur	359.1	.1432	2.69	13,223	216,383	205,590	380	104,016	51	73,968	36	85	111
Brazoria	192.7	.0768	2.99	14,461	84,940	81,897	185	37,775	46	32,092	39	56	132
Brownsville - Harlingen	263.0	.1049	3.55	7,048	122,825	113,620	248	52,406	46	44,523	39	70	72
Bryan - College Station	122.9	.0490	2.78	10,924	74,876	68,815	145	31,739	46	26,965	39	77	69
Corpus Christi	350.5	.1398	2.95	10,644	226,215	208,870	472	109,934	53	74,663	36	75	80
Dallas	2,602.9	1.0378	2.67	15,340	2,375,059	2,234,639	3,460	894,815	40	922,594	41	111	124
El Paso	602.6	.2403	3.31	8,916	302,210	272,006	557	127,515	47	107,383	39	77	97
Fort Worth - Arlington	1,361.0	.5426	2.69	14,809	1,012,339	931,298	1,584	435,900	47	362,338	39	87	113
Galveston - Texas City	218.3	.0870	2.67	13,649	148,971	142,021	265	65,504	46	55,652	39	69	103
Houston	3,331.2	1.3280	2.78	13,935	2,284,932	2,140,054	3,647	877,822	41	930,888	43	84	126
Killeen - Temple	258.2	.1030	3.04	10,756	122,303	116,152	274	53,576	46	45,513	39	79	70
Laredo	135.6	.0541	3.86	6,258	65,378	64,346	101	29,679	46	25,214	39	66	91
Longview - Marshall	162.6	.0648	2.67	11,971	109,608	102,899	244	47,463	46	40,320	39	79	65
Lubbock	224.1	.0894	2.73	11,592	197,770	179,955	325	83,003	46	70,516	39	102	81
McAllen - Edinburg - Mission	393.0	.1567	3.70	6,479	137,963	131,124	296	60,479	46	51,382	39	59	76
Midland	107.4	.0429	2.74	14,769	65,339	62,254	153	28,714	46	24,394	39	62	76
Odessa	118.0	.0471	2.81	12,569	74,568	66,859	182	30,838	46	26,199	39	63	64
San Angelo	99.3	.0396	2.78	12,508	62,847	59,495	121	27,441	46	23,312	39	89	74
San Antonio	1,324.0	.5279	2.89	11,359	1,052,806	980,904	1,700	465,457	47	383,912	39	101	87
Sherman - Denison	95.0	.0379	2.58	12,427	50,770	49,198	120	22,692	46	19,278	39	64	71
Texarkana	120.4	.0480	2.68	10,824	66,094	65,637	135	30,283	46	25,722	39	86	80
Tyler	152.9	.0610	2.66	12,981	115,201	113,706	180	52,445	46	44,557	39	96	82
Victoria	74.3	.0296	2.84	11,768	44,181	41,836	102	19,296	46	16,394	39	62	65
Waco	189.9	.0757	2.69	11,094	130,577	122,412	241	56,460	46	47,969	39	88	82
Wichita Falls	122.0	.0487	2.71	11,249	111,876	105,510	180	48,665	46	41,344	39	160	74
Non-Metro Portion of State	3,119.7	1.2435	2.78	10,000	1,182,078	1,149,390	3,564	677,397	59	386,338	34	55	59
State Total	**17,167.6**	**6.8448**	**2.80**	**12,474**	**11,369,928**	**10,690,362**	**20,435**	**4,859,880**	**45**	**4,272,536**	**40**	**84**	**97**
UTAH													
Provo - Orem	266.4	.1062	3.75	7,899	90,599	89,353	232	45,797	51	35,226	39	68	92
Salt Lake City - Ogden	1,083.2	.4318	3.09	11,097	684,283	662,262	1,212	338,943	51	255,197	39	86	104
Non-Metro Portion of State	389.2	.1553	3.23	9,427	164,942	159,160	493	71,266	45	75,229	47	74	75
State Total	**1,738.8**	**.6933**	**3.20**	**10,233**	**939,824**	**910,775**	**1,937**	**456,006**	**50**	**365,652**	**40**	**82**	**95**
VERMONT													
Burlington	138.7	.0553	2.71	15,332	143,804	133,763	224	36,178	27	85,007	64	105	101
Non-Metro Portion of State	429.3	.1711	2.66	11,930	315,427	292,160	735	79,252	27	186,202	64	81	72
State Total	**568.0**	**.2264**	**2.67**	**12,761**	**459,231**	**425,923**	**959**	**115,430**	**27**	**271,209**	**64**	**87**	**78**
VIRGINIA													
Charlottesville	132.6	.0529	2.69	13,527	99,962	98,387	177	42,952	44	43,262	44	86	107
Danville	108.4	.0433	2.57	11,420	56,582	55,865	132	24,385	44	24,559	44	72	88
Lynchburg	142.3	.0567	2.69	12,432	94,273	92,963	182	40,577	44	40,868	44	87	92
Norfolk - Virginia Beach - Newport News	1,419.4	.5660	2.83	12,932	1,026,643	1,003,595	1,759	470,189	47	435,146	43	104	101
Richmond - Petersburg	875.4	.3489	2.61	15,202	628,719	620,018	1,145	285,924	46	252,842	41	94	110
Roanoke	224.8	.0896	2.50	13,269	183,251	180,533	343	78,794	44	79,365	44	104	90
Non-Metro Portion of State	1,713.8	.6835	2.70	11,389	780,554	773,807	1,740	415,570	54	295,623	38	64	106
State Total	**6,265.1**	**2.4980**	**2.70**	**14,763**	**4,391,571**	**4,337,799**	**7,457**	**1,886,593**	**43**	**1,936,196**	**45**	**94**	**113**

24TH ANNUAL RGI

1990
METRO REPORT

STATE	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
STATE Metro Name	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
WASHINGTON													
Bellingham	129.6	.0517	2.63	11,827	105,657	92,987	200	34,440	37	51,641	56	78	69
Bremerton	194.2	.0774	2.74	13,208	101,851	91,300	174	33,816	37	[illegible]0,703	56	73	106
Olympia	164.5	.0656	2.59	13,263	116,022	105,299	189	38,999	37	58,477	56	84	91
Richland - Kennewick - Pasco	150.3	.0600	2.76	14,597	104,019	96,094	181	35,589	37	53,366	56	78	117
Seattle	2,006.7	.8001	2.50	17,941	2,105,344	1,990,491	2,956	684,070	34	1,116,285	56	122	111
Spokane	362.2	.1444	2.55	11,866	307,514	287,493	478	124,374	43	139,708	49	96	87
Tacoma	594.7	.2371	2.73	11,531	433,606	402,192	637	154,732	38	224,789	56	[illegible]	87
Vancouver	242.3	.0966	2.69	12,981	156,191	138,050	258	51,129	37	76,665	56	92	94
Yakima	190.0	.0757	2.86	10,201	113,651	105,664	207	39,136	37	58,680	56	76	86
Non-Metro Portion of State	896.7	.3574	2.62	12,066	611,360	553,306	1,302	202,294	37	333,033	60	80	70
State Total	**4,931.2**	**1.9660**	**2.60**	**14,507**	**4,155,215**	**3,862,876**	**6,582**	**1,398,579**	**36**	**2,163,347**	**56**	**103**	**96**
WEST VIRGINIA													
Charleston	249.2	.0994	2.50	12,940	173,755	168,307	328	100,100	59	53,377	32	90	88
Huntington - Ashland	310.7	.1239	2.61	10,512	161,561	156,241	343	93,000	60	49,493	32	85	78
Parkersburg - Marietta	148.4	.0592	2.58	11,657	85,950	82,402	175	49,278	60	25,876	31	83	87
Steubenville - Weirton	141.2	.0563	2.59	11,974	60,735	54,363	165	25,747	47	23,578	43	66	85
Wheeling	157.8	.0629	2.53	11,653	96,687	86,742	187	51,805	60	27,304	31	79	80
Non-Metro Portion of State	1,132.0	.4514	2.65	9,746	410,596	398,346	1,130	246,583	62	122,201	31	58	77
State Total	**1,780.3**	**.7099**	**2.60**	**10,546**	**827,435**	**794,530**	**1,950**	**487,716**	**61**	**242,535**	**31**	**70**	**80**
WISCONSIN													
Appleton - Oshkosh - Neenah	317.5	.1266	2.73	13,367	233,543	200,635	385	79,599	40	102,184	51	103	104
Eau Claire	138.2	.0551	2.73	11,786	106,431	86,300	188	32,736	38	46,984	54	93	79
Green Bay	196.2	.0783	2.69	13,046	160,043	141,945	255	53,845	38	77,279	54	110	100
Janesville - Beloit	139.3	.0556	2.67	13,133	102,317	86,600	186	32,849	38	47,149	54	81	79
Kenosha	129.0	.0515	2.73	15,808	81,077	68,692	156	26,057	38	37,398	54	119	98
La Crosse	98.4	.0393	2.67	13,175	93,234	80,556	157	30,557	38	43,858	54	144	89
Madison	370.4	.1476	2.57	15,192	337,049	295,713	533	112,247	38	165,326	56	119	108
Milwaukee	1,436.8	.5730	2.66	15,745	1,165,879	1,030,543	1,770	397,672	39	526,553	51	111	115
Racine	175.6	.0700	2.75	13,958	121,732	108,350	221	41,100	38	58,990	54	100	95
Sheboygan	104.2	.0415	2.69	14,201	63,577	54,607	114	20,714	38	29,730	54	82	108
Wausau	115.9	.0462	2.78	12,169	73,245	65,555	148	24,868	38	35,690	54	93	83
Non-Metro Portion of State	1,597.9	.6368	2.70	11,390	1,056,781	884,629	2,418	296,585	34	553,534	63	93	62
State Total	**4,912.1**	**1.9584**	**2.68**	**13,561**	**3,656,134**	**3,153,359**	**6,652**	**1,168,560**	**37**	**1,750,533**	**56**	**103**	**89**
WYOMING													
Casper	60.2	.0240	2.57	13,446	43,090	39,17[illegible]	100	16,111	41	21,305	54	77	88
Cheyenne	73.3	.0292	2.60	11,335	55,524	50,699	101	20,848	41	27,569	54	129	85
Non-Metro Portion of State	315.1	.1257	2.73	11,890	189,123	163,055	525	63,597	39	94,318	58	91	80
State Total	**448.6**	**.1789**	**2.68**	**12,008**	**287,737**	**252,932**	**726**	**100,556**	**40**	**143,192**	**57**	**94**	**82**
United States Total	**250,812.0**	**100.0000**	**2.70**	**13,952**	**182,107,195**	**170,500,875**	**317,780**	**68,598,869**	**40**	**82,173,569**	**48**	**100**	**100**

24TH ANNUAL RGI

1990 ADI REPORT

THIS SECTION COVERS THE 210 AREAS OF DOMINANT INFLUENCE OF A TV SIGNAL

	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
ADI Name	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Abilene - Sweetwater	289.4	.1155	2.67	10,491	150,436	144,373	372	74,521	52	53,105	37	86	57
Albany, Ga.	377.1	.1503	2.83	9,604	166,581	160,195	380	92,618	58	54,522	34	55	94
Albany - Schenectady - Troy	1,329.3	.5302	2.62	14,680	998,681	935,163	2,055	295,572	32	526,434	56	84	83
Albuquerque	1,444.3	.5759	2.81	10,652	924,456	865,172	1,882	387,787	45	395,788	46	101	82
Alexandria, La.	249.8	.0995	2.95	9,041	103,771	99,884	184	51,734	52	34,052	34	59	103
Alpena	40.8	.0163	2.53	11,751	19,067	16,599	58	6,691	40	9,041	54	64	59
Amarillo	448.1	.1789	2.67	11,684	286,106	273,597	711	137,342	50	103,850	38	82	61
Anniston	116.2	.0464	2.70	10,505	72,927	70,287	113	42,633	61	20,905	30	151	99
Ardmore - Ada	182.6	.0728	2.59	8,314	71,414	70,068	217	39,246	56	21,655	31	55	59
Atlanta	3,850.9	1.5357	2.69	14,191	3,231,452	3,080,260	5,173	1,483,048	48	1,210,474	39	125	105
Augusta	571.3	.2277	2.81	10,813	317,047	307,016	553	161,420	53	105,277	34	85	108
Austin, Tex.	957.8	.3820	2.58	13,566	771,079	730,625	1,385	331,574	45	306,824	42	86	86
Bakersfield	558.9	.2228	2.99	12,976	329,483	309,384	582	160,305	52	135,386	44	88	101
Baltimore	2,583.9	1.0302	2.70	14,917	1,907,058	1,745,391	2,957	725,940	42	738,590	42	105	118
Bangor	332.7	.1326	2.66	11,573	198,301	192,756	494	69,477	36	110,252	57	62	67
Baton Rouge	726.0	.2894	2.88	11,895	359,469	341,538	674	175,332	51	119,365	35	55	120
Beaumont - Port Arthur	430.0	.1714	2.68	12,746	232,751	221,490	437	113,392	51	79,313	36	75	106
Bend	75.8	.0302	2.56	11,270	71,086	66,675	134	27,279	41	35,880	54	98	62
Billings - Hardin	225.5	.0900	2.62	11,133	174,123	143,842	370	56,208	39	78,685	55	81	73
Biloxi - Gulfport - Pascagoula	301.3	.1202	2.82	11,287	186,137	177,101	358	104,633	59	52,832	30	104	92
Binghamton	424.9	.1694	2.65	13,952	247,995	220,107	501	68,079	31	117,407	53	72	96
Birmingham	1,334.4	.5319	2.64	11,397	730,837	715,341	1,326	408,570	57	226,333	32	94	100
Bluefield - Beckley - Oak Hill	362.2	.1445	2.63	9,655	131,412	128,463	337	78,018	61	40,669	32	51	86
Boise	411.8	.1641	2.73	11,755	241,436	222,435	554	98,949	44	108,042	49	85	76
Boston	5,726.9	2.2833	2.68	17,272	5,841,676	5,507,012	8,294	1,504,465	27	3,274,433	59	115	107
Bowling Green	122.7	.0490	2.66	9,810	64,615	62,911	114	40,944	65	18,201	29	87	97
Bristol - Kingsport - Johnson City	778.1	.3103	2.61	11,029	329,269	324,193	740	196,407	61	98,559	30	68	98
Buffalo	1,671.3	.6663	2.63	13,262	1,105,951	1,006,603	2,441	384,839	38	495,318	49	82	75
Burlington - Plattsburgh	660.1	.2632	2.73	12,275	474,875	435,833	1,007	128,280	29	267,357	61	81	79
Butte	129.2	.0515	2.59	11,162	99,305	79,643	239	30,226	38	44,464	56	93	61
Casper - Riverton	108.7	.0434	2.65	12,383	64,295	58,295	178	23,580	40	32,387	56	75	80
Cedar Rapids - Waterloo - Dubuque	806.1	.3213	2.67	12,982	520,925	464,558	1,078	202,604	44	224,475	48	89	81
Charleston, S.C.	633.7	.2527	2.86	10,854	442,579	425,301	700	179,110	42	199,660	47	97	101
Charleston - Huntington	1,249.3	.4979	2.66	10,346	577,017	555,263	1,281	327,183	59	183,936	33	71	80
Charlotte	1,937.4	.7726	2.64	12,640	1,244,467	1,218,310	2,496	638,379	52	452,026	37	95	96
Charlottesville	109.4	.0436	2.67	13,934	97,649	96,074	163	41,914	44	42,217	44	90	105
Chattanooga	805.2	.3208	2.63	11,230	446,951	441,573	958	259,504	59	151,873	34	88	88
Cheyenne - Scottsbluff (Sterling)	109.1	.0435	2.59	11,357	76,921	70,317	163	29,871	42	36,909	52	96	75
Chicago	8,389.2	3.3449	2.77	15,676	6,345,861	5,926,943	10,453	2,212,051	37	2,979,069	50	117	112
Chico - Redding	425.5	.1696	2.60	11,699	265,237	244,504	578	92,897	38	131,703	54	81	68
Cincinnati	2,041.8	.8141	2.68	13,469	1,517,039	1,412,134	2,421	617,690	44	638,750	45	104	102
Clarksburg - Weston	279.1	.1117	2.62	9,582	115,984	112,594	337	69,691	62	34,544	31	62	64
Cleveland	3,776.0	1.5055	2.63	13,628	2,481,848	2,287,933	4,769	1,019,471	45	1,059,063	46	96	92
Colorado Springs - Pueblo	637.4	.2538	2.67	11,472	405,265	369,743	889	152,223	41	178,169	48	103	78
Columbia, S.C.	822.9	.3281	2.85	11,754	509,272	496,444	907	235,632	47	185,742	37	97	102
Columbia - Jefferson City	360.0	.1437	2.69	12,013	192,653	181,154	437	93,818	52	72,050	40	87	80
Columbus, Ga.	500.3	.1993	2.77	10,449	262,375	253,287	500	144,472	57	84,255	33	86	97
Columbus - Tupelo	470.8	.1879	2.74	9,319	159,952	155,746	424	101,353	65	41,567	27	63	92
Columbus, Ohio	1,836.6	.7324	2.65	12,767	1,280,438	1,185,591	2,220	592,453	50	487,809	41	116	99
Corpus Christi	504.8	.2012	2.95	10,185	292,218	271,497	663	146,824	54	95,712	35	68	73

[illegible] ANNUAL RGI

1990 ADI REPORT

ADI Name	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
	Population (Thous.)	% Of U.S.	Average Household Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Dallas - Ft. Worth	4,661.0	1.8583	2.68	14,533	3,696,426	3,465,087	5,818	1,500,523	43	1,388,124	40	97	113
Davenport - Rock Island - Moline	783.5	.3122	2.59	13,580	495,783	434,234	1,083	205,099	47	194,939	45	87	78
Dayton	1,328.0	.5295	2.65	13,202	874,961	814,135	1,622	425,438	52	315,954	39	101	92
Denver	2,600.5	1.0369	2.54	14,718	2,222,391	2,054,578	4,145	714,578	35	1,031,083	53	107	90
Des Moines	951.5	.3794	2.57	13,055	595,991	541,872	1,292	231,233	43	258,898	48	75	84
Detroit	4,672.7	1.8631	2.71	14,592	3,478,574	3,213,906	5,445	1,324,394	41	1,502,052	47	121	107
Dothan	238.9	.0954	2.68	10,142	130,986	127,635	237	78,487	61	38,277	30	87	88
Duluth - Superior	433.5	.1726	2.54	11,830	263,398	222,417	680	80,977	36	124,629	56	77	64
El Centro - Yuma	220.0	.0877	3.15	9,076	102,007	93,722	231	36,298	39	52,924	56	66	80
El Paso	762.4	.3041	3.23	8,857	374,814	337,253	732	156,795	46	137,100	41	79	90
Elmira	235.8	.0940	2.69	11,779	133,953	121,119	301	41,458	34	63,456	52	73	75
Erie	410.7	.1638	2.69	12,937	267,889	239,486	534	91,023	38	120,306	50	92	82
Eugene	510.8	.2036	2.58	11,383	392,287	363,178	766	145,759	40	192,111	53	103	69
Eureka	144.0	.0574	2.62	12,017	92,139	83,157	260	31,381	38	49,026	59	82	62
Evansville	686.1	.2737	2.62	11,972	361,660	340,400	812	186,765	55	125,178	37	80	89
Fargo	570.9	.2277	2.66	11,336	344,177	289,521	800	133,218	46	146,526	51	82	68
Flagstaff	98.6	.0393	3.22	9,42[illegible]	93,068	86,267	161	34,215	40	46,704	54	108	101
Flint - Saginaw - Bay City	1,233.3	.4918	2.71	12,049	737,922	658,308	1,374	283,008	43	334,594	51	90	87
Florence - Myrtle Beach	415.9	.1658	2.75	10,326	363,488	345,035	681	168,897	49	145,085	42	106	83
Ft. Myers - Naples	651.6	.2598	2.41	14,321	538,446	519,087	853	169,726	33	308,822	59	101	85
Ft. Smith	492.5	.1963	2.63	11,005	254,494	250,363	611	136,941	55	82,738	33	72	74
Ft. Wayne	632.2	.2522	2.72	12,243	394,254	364,974	824	170,629	47	171,923	47	104	87
Fresno - Visalia	1,393.8	.5557	3.11	11,474	762,981	719,453	1,465	313,341	44	356,480	50	82	90
Gainesville	231.0	.0922	2.57	11,878	167,801	160,140	306	59,898	37	86,041	54	87	95
Grand Junction - Durango	153.2	.0611	2.58	12,032	145,675	134,386	231	45,934	34	76,546	57	123	101
Grand Rapids - Kalamazoo - Battle Creek	1,702.5	.6789	2.78	13,190	985,350	911,469	2,010	366,191	40	474,200	52	101	96
Great Falls	168.7	.0674	2.67	10,905	108,736	83,940	277	32,700	39	45,828	55	76	64
Green Bay - Appleton	1,023.5	.4081	2.69	12,349	730,562	630,510	1,375	233,244	37	355,502	56	95	82
Greensboro - Winston-Salem - High Point	1,337.8	.5333	2.54	13,126	864,770	852,502	1,716	407,302	48	318,717	37	100	93
Greenville - New Bern - Washington	697.3	.2782	2.84	9,563	352,393	340,041	734	187,061	55	124,342	37	81	80
Greenville - Spartanburg - Asheville	1,711.6	.6822	2.60	11,476	997,185	981,778	2,041	520,827	53	367,551	37	84	91
Greenwood - Greenville	230.5	.0918	3.05	7,474	76,441	76,078	231	49,014	64	20,566	27	57	70
Hagerstown	122.1	.0487	2.71	11,991	62,935	56,852	137	23,885	42	25,377	45	68	105
Harrisburg - York - Lancaster - Lebanon	1,463.5	.5834	2.68	14,392	965,743	886,206	1,698	332,956	38	480,431	54	91	115
Harrisonburg	238.9	.0953	2.72	11,234	118,375	117,299	278	63,264	54	44,341	38	79	98
Hartford - New Haven	2,474.0	.9864	2.66	16,866	1,977,572	1,865,452	3,422	599,219	32	1,024,488	55	100	104
Helena	47.7	.0190	2.55	12,105	39,036	32,324	91	12,223	38	17,978	56	76	65
Houston	4,052.6	1.6156	2.79	13,729	2,658,660	2,499,613	4,430	1,060,946	42	1,064,177	43	80	121
Huntsville - Decatur - Florence	743.6	.2966	2.62	12,123	425,210	413,222	814	265,023	64	114,552	28	92	97
Idaho Falls - Pocatello	322.3	.1286	3.03	10,819	161,188	147,045	422	65,495	45	73,568	50	75	83
Indianapolis	2,261.3	.9015	2.63	13,049	1,606,307	1,507,704	3,018	800,856	53	535,197	35	123	91
Jackson, Miss.	784.8	.3127	2.82	10,489	359,986	355,478	761	194,724	55	119,508	34	86	105
Jackson, Tenn.	150.2	.0598	2.60	10,904	64,240	62,028	163	34,328	55	22,856	37	71	89
Jacksonville	1,243.6	.4959	2.68	12,856	962,654	913,596	1,508	464,987	51	376,538	41	109	111
Johnstown - Altoona	811.3	.3234	2.67	11,020	437,747	400,436	954	153,516	38	200,554	50	73	69
Jonesboro	186.1	.0742	2.56	10,196	65,699	65,102	208	39,368	60	21,078	32	55	72
Joplin - Pittsburg	353.9	.1409	2.53	10,499	189,882	183,180	550	92,708	51	70,014	38	83	54

24TH ANNUAL RGI

1990 ADI REPORT

ADI Name	12/31/90 Population (Thous.)	12/31/90 % Of U.S.	12/31/90 Average House-hold Size	1990 Per Capita EBI	1990 Eating & Drinking Place Sales ($000)	1990 Eating Place Sales ($000)	1990 Eating Place Units	1990 Fast Food Sales ($000)	1990 Fast Food Market Share (%)	1990 Restaurant Sales ($000)	1990 Restaurant Market Share (%)	RAI	RGI
Kansas City	1,985.8	.7919	2.61	14,496	1,415,326	1,352,663	2,474	656,226	49	546,323	40	102	106
Knoxville	1,096.8	.4375	2.60	11,132	648,610	633,901	1,222	322,510	51	267,240	42	97	97
La Crosse - Eau Claire	473.6	.1888	2.71	11,572	323,112	270,352	642	98,993	37	154,198	57	101	74
Lafayette, Ind.	131.2	.0523	2.86	12,422	96,588	88,644	165	46,089	52	34,359	39	124	97
Lafayette, La.	524.7	.2092	2.85	10,484	259,204	249,219	480	130,780	52	83,907	34	56	101
Lake Charles	228.7	.0913	2.83	11,153	112,092	108,719	208	54,033	50	38,403	35	56	104
Lansing	628.5	.2505	2.77	13,250	399,908	362,070	710	159,298	44	179,319	50	111	104
Laredo	145.1	.0579	3.82	6,224	67,567	66,535	111	30,966	47	25,947	39	65	87
Las Vegas	795.5	.3171	2.58	13,380	672,344	576,528	845	239,378	42	251,156	44	96	420
Laurel - Hattiesburg	264.9	.1057	2.79	9,732	104,061	102,278	267	66,067	65	27,303	27	69	83
Lexington	915.9	.3652	2.67	10,850	575,408	559,768	976	315,184	56	191,583	34	99	98
Lima	109.8	.0438	2.79	11,913	75,633	71,346	169	33,834	47	30,903	43	93	73
Lincoln - Hastings - Kearney	616.4	.2459	2.57	12,400	365,802	319,919	905	147,670	46	149,753	47	90	74
Little Rock	1,193.6	.4760	2.64	11,399	611,634	600,442	1,382	319,584	53	213,756	36	75	88
Los Angeles	13,599.9	5.4224	2.97	15,659	12,281,417	11,693,551	16,866	4,420,039	38	6,066,869	52	131	112
Louisville	1,461.5	.5827	2.65	12,089	952,728	903,364	1,609	505,204	56	321,101	36	103	99
Lubbock	377.9	.1506	2.80	10,370	250,048	231,937	528	113,718	49	88,030	38	80	67
Macon	504.5	.2012	2.79	11,416	275,787	263,935	526	142,202	54	94,773	36	89	104
Madison	698.8	.2785	2.61	13,756	566,213	492,291	1,008	181,969	37	281,284	57	104	89
Mankato	82.3	.0329	2.71	10,730	55,003	46,924	113	17,597	38	26,763	57	61	65
Marquette	151.3	.0603	2.67	10,929	79,181	67,603	208	27,159	40	36,988	55	72	57
McAllen - Brownsville	715.1	.2852	3.65	6,553	270,304	253,625	576	118,106	47	98,884	39	61	74
Medford	349.8	.1395	2.53	10,633	249,131	226,961	565	90,507	40	121,800	54	90	54
Memphis	1,649.6	.6579	2.76	10,916	807,750	790,255	1,688	409,967	52	283,313	36	91	105
Meridian	180.1	.0718	2.75	9,768	65,020	64,007	163	41,851	65	16,940	26	62	94
Miami - Ft. Lauderdale	3,320.7	1.3240	2.61	14,573	2,984,506	2,771,537	4,544	886,254	32	1,561,978	56	117	107
Milwaukee	2,065.9	.8240	2.69	15,182	1,592,783	1,401,641	2,605	532,262	38	739,870	53	109	106
Minneapolis - St. Paul	3,667.3	1.4620	2.67	14,303	2,708,435	2,459,220	4,365	898,443	37	1,302,723	53	105	111
Minot - Bismarck - Dickinson - Glendive	363.1	.1447	2.68	11,596	194,370	156,981	515	74,167	47	77,521	49	78	75
Missoula	188.0	.0750	2.59	11,468	143,813	116,472	335	44,152	38	64,932	56	84	60
Mobile - Pensacola	1,109.0	.4421	2.72	11,856	723,192	681,111	1,255	349,387	51	275,824	40	102	96
Monroe - El Dorado	476.4	.1900	2.82	8,991	205,316	200,625	432	107,830	54	67,055	33	55	87
Montgomery - Selma	578.4	.2307	2.77	10,059	291,156	282,384	541	179,533	64	79,141	28	86	102
Nashville	1,894.9	.7552	2.65	12,504	1,155,775	1,132,346	2,140	581,817	51	459,746	41	107	104
New Orleans	1,664.7	.6637	2.77	11,828	1,282,155	1,198,055	1,940	511,503	43	497,266	42	81	104
New York	18,650.7	7.4366	2.73	17,949	13,800,312	12,835,786	23,966	3,287,486	26	7,072,484	55	97	110
Norfolk - Portsmouth - Newport News - Hampton	1,681.2	.6702	2.80	12,486	1,153,108	1,128,667	2,085	539,221	48	481,433	43	96	97
North Platte	45.0	.0179	2.56	12,406	31,758	29,271	77	13,495	46	13,940	48	101	72
Odessa - Midland	379.0	.1513	2.85	11,932	197,223	183,825	565	91,870	50	69,023	38	60	63
Oklahoma City	1,481.1	.5906	2.60	11,435	974,028	946,665	2,282	454,908	48	342,065	36	94	66
Omaha	945.0	.3769	2.64	13,800	646,104	569,487	1,296	253,099	44	265,967	47	97	88
Orlando - Daytona Beach - Melbourne	2,312.1	.9217	2.55	13,233	2,123,022	2,016,769	2,924	728,871	36	1,103,207	55	122	118
Ottumwa - Kirksville	87.4	.0348	2.58	9,610	35,331	33,553	101	17,515	52	14,276	43	65	62
Paducah - Cape Girardeau - Harrisburg - Marion	866.8	.3460	2.56	10,505	409,278	389,473	1,027	227,224	58	138,774	36	76	68
Palm Springs	1,242.1	.4953	2.91	13,850	796,533	763,610	1,131	340,619	45	392,084	51	101	110
Panama City	253.8	.1011	2.64	9,896	194,869	178,781	338	68,823	38	95,366	53	86	74
Parkersburg	148.4	.0592	2.58	11,657	85,950	82,402	175	49,278	60	25,876	31	83	87
Peoria - Bloomington	586.2	.2337	2.66	14,956	373,801	347,048	812	158,660	46	147,201	42	101	91

24TH ANNUAL RGI

1990
ADI REPORT

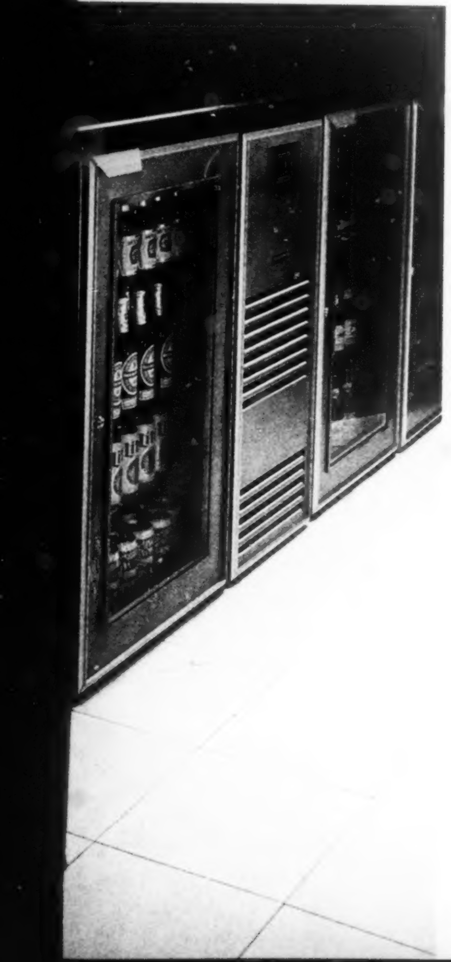
ADI Name	12/31/90 Population (Thous.)	% Of U.S.	Average House-hold Size	1990 Per Capita EBI	Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Eating Place Units	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Philadelphia	7,181.9	2.8633	2.72	15,743	5,116,706	4,638,668	8,616	1,555,375	34	2,435,890	53	87	134
Phoenix	2,662.7	1.0615	2.65	13,055	1,950,326	1,813,730	3,268	727,896	40	876,612	48	87	105
Pittsburgh	2,950.9	1.1766	2.56	13,439	1,888,142	1,719,940	3,588	657,659	38	853,405	50	90	89
Portland, Ore.	2,226.7	.8878	2.59	13,215	1,886,865	1,719,503	3,103	653,125	38	916,315	53	113	89
Portland - Poland Spring	966.1	.3852	2.61	13,650	893,113	864,093	1,681	299,104	35	502,960	58	95	77
Presque Isle	86.6	.0345	2.78	10,949	37,762	35,137	89	12,634	36	20,047	57	50	88
Providence - New Bedford	1,529.9	.6100	2.67	14,073	1,321,869	1,212,534	2,214	423,095	35	671,860	55	105	82
Quincy - Hannibal	289.0	.1152	2.62	11,133	133,157	113,466	383	60,249	53	46,173	41	70	62
Raleigh - Durham	1,881.3	.7501	2.67	12,298	1,539,498	1,511,505	2,286	755,962	50	595,418	39	127	99
Rapid City	233.6	.0932	2.74	11,801	149,386	132,571	364	52,495	40	73,153	55	88	69
Reno	443.8	.1768	2.57	14,135	341,723	307,686	607	127,266	41	145,098	47	90	274
Richmond	1,149.7	.4585	2.64	14,068	715,269	704,987	1,372	331,649	47	285,661	41	84	110
Roanoke - Lynchburg	1,019.2	.4066	2.60	12,087	561,917	555,681	1,184	265,388	48	231,156	42	80	102
Rochester, N.Y.	962.8	.3837	2.67	15,727	700,616	654,078	1,232	252,226	39	319,709	49	81	108
Rochester - Mason City - Austin	349.1	.1390	2.58	12,718	204,418	188,688	469	74,684	40	100,480	53	82	84
Rockford	412.6	.1645	2.64	14,218	243,727	222,729	523	97,263	44	101,326	45	85	92
Sacramento - Stockton	3,112.0	1.2406	2.79	14,062	2,199,766	2,067,719	3,910	893,643	43	1,045,368	51	99	90
St. Joseph	128.1	.0510	2.58	11,744	75,085	69,384	163	34,030	49	27,663	40	87	77
St. Louis	2,954.7	1.1777	2.65	14,309	2,143,769	1,996,937	3,669	958,331	48	743,455	37	108	102

Silver King is now behind bars.

24TH ANNUAL RGI

1990 ADI REPORT

	12/31/90			1990									
						Eating Place		Fast Food		Restaurant			
ADI Name	Population (Thous.)	% Of U.S.	Average House-hold Size	Per Capita EBI	Eating & Drinking Place Sales ($000)	Sales ($000)	Units	Sales ($000)	Market Share (%)	Sales ($000)	Market Share (%)	RAI	RGI
Salinas - Monterey	633.9	.2528	2.99	14,982	559,636	517,784	940	181,726	35	309,520	60	123	90
Salisbury	248.9	.0993	2.63	11,822	298,032	285,161	539	116,367	41	149,175	52	145	64
Salt Lake City	1,872.7	.7469	3.18	10,356	999,067	961,548	2,099	477,603	50	393,730	41	81	98
San Angelo	134.7	.0536	2.75	11,757	76,478	73,021	179	35,486	49	27,895	38	84	64
San Antonio	1,689.6	.6734	2.90	10,815	1,180,497	1,104,795	2,098	538,423	49	425,528	39	91	81
San Diego	2,562.9	1.0218	2.81	16,067	2,197,424	2,077,818	3,185	803,810	39	1,103,410	53	129	112
San Francisco - Oakland - San Jose	5,879.5	2.3443	2.66	19,060	6,121,603	5,770,879	9,222	1,922,616	33	3,197,986	55	135	109
Santa Barbara - Santa Maria - San Luis Obispo	596.3	.2378	2.79	15,114	559,938	534,435	958	185,720	35	325,707	61	110	82
Sarasota	282.7	.1128	2.21	15,684	302,535	292,192	460	71,613	25	197,265	68	128	73
Savannah	653.6	.2604	2.82	11,141	428,758	412,936	751	218,053	53	156,072	38	97	99
Seattle - Tacoma	3,580.8	1.4277	2.57	15,429	3,236,160	3,025,648	4,941	1,071,520	35	1,708,444	56	110	98
Shreveport - Texarkana	995.5	.3968	2.70	10,566	452,221	441,907	950	236,471	54	159,438	36	65	90
Sioux City	411.4	.1643	2.68	10,812	212,296	183,029	602	81,180	44	89,393	49	70	61
Sioux Falls - Mitchell	580.7	.2314	2.64	11,451	336,115	290,744	887	110,886	38	163,932	56	84	66
South Bend - Elkhart	808.7	.3223	2.72	12,052	493,709	458,870	1,111	228,838	50	188,722	41	101	75
Spokane	831.3	.3310	2.61	11,770	558,183	502,438	1,126	213,572	43	255,341	51	78	77



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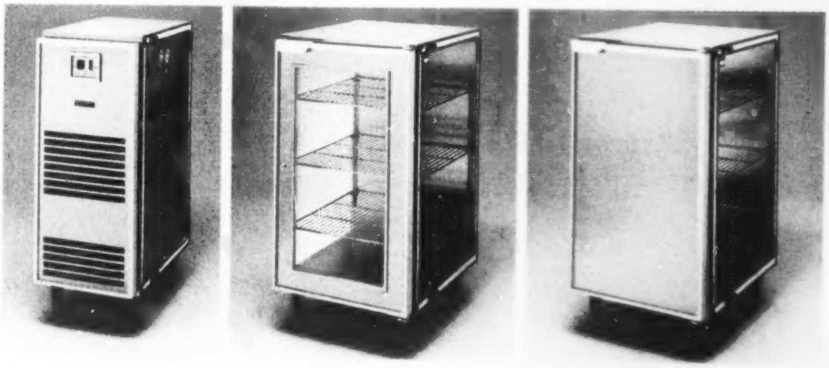

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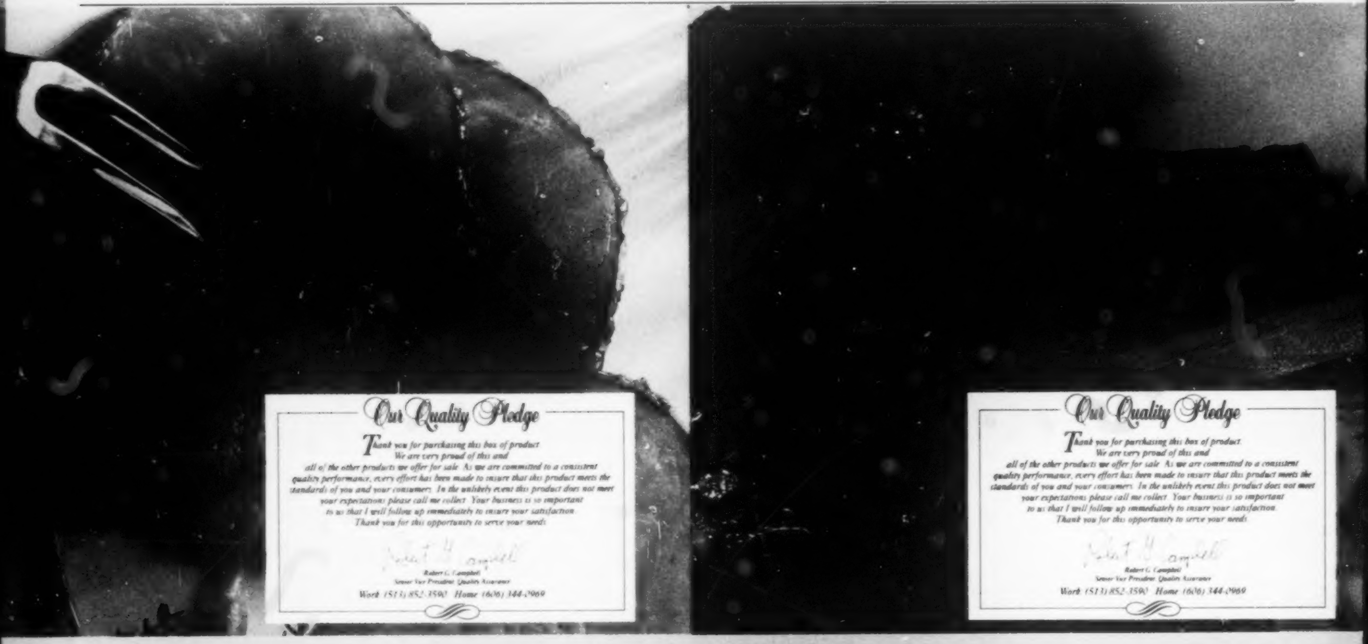
24TH ANNUAL R&I

1990
ADI REPORT

ADI Name	12/31/90 Population (Thous.)	12/31/90 % Of U.S.	12/31/90 Average House-hold Size	1990 Per Capita EBI	1990 Eating & Drinking Place Sales ($000)	1990 Eating Place Sales ($000)	1990 Eating Place Units	1990 Fast Food Sales ($000)	1990 Fast Food Market Share (%)	1990 Restaurant Sales ($000)	1990 Restaurant Market Share (%)	RAI	RGI
Springfield, Mass.	677.4	.2701	2.72	13,634	550,732	496,899	848	164,224	33	291,830	59	104	91
Springfield, Mo.	828.6	.3303	2.57	10,381	428,266	410,786	1,146	214,537	52	161,373	39	82	64
Springfield - Decatur - Champaign	884.3	.3523	2.61	13,293	614,755	557,232	1,189	253,643	46	247,397	44	110	86
Syracuse	962.4	.3836	2.74	13,846	694,862	638,510	1,380	224,878	35	319,766	50	89	85
Tallahassee - Thomasville	535.3	.2135	2.74	11,040	297,532	281,841	544	128,195	45	132,325	47	80	113
Tampa - St. Petersburg	2,948.2	1.1755	2.40	13,621	2,129,050	2,014,255	3,455	786,152	39	1,032,669	51	95	100
Terre Haute	411.7	.1641	2.61	11,414	177,393	161,535	491	86,963	54	62,018	38	79	72
Toledo	1,095.7	.4368	2.71	12,774	712,326	647,801	1,475	289,168	45	299,261	46	97	79
Topeka	405.6	.1614	2.68	12,899	243,654	225,345	566	117,749	52	83,492	37	96	79
Traverse City - Cadillac	480.0	.1914	2.67	10,205	320,089	276,934	837	111,551	40	150,725	54	75	51
Tucson	807.1	.3219	2.60	11,002	506,710	466,440	978	199,019	43	225,351	48	89	84
Tulsa	1,149.8	.4584	2.57	11,314	705,159	684,191	1,561	342,108	50	236,912	35	78	74
Tuscaloosa	151.6	.0604	2.72	10,411	94,197	91,022	171	55,212	61	27,072	30	111	89
Twin Falls	97.4	.0389	2.69	11,704	62,151	58,015	154	26,417	46	28,034	48	100	101
Tyler - Longview - Jacksonville	538.5	.2148	2.68	11,641	318,039	306,893	644	155,012	51	114,348	37	77	72
Utica	377.1	.1503	2.71	12,688	254,897	238,330	525	71,538	30	128,386	54	91	74
Victoria	74.3	.0296	2.84	11,768	44,181	41,836	102	19,296	46	16,394	39	62	65



Our Quality Pledge

Thank you for purchasing this box of product. We are very proud of this and all of the other products we offer for sale. As we are committed to a consistent quality performance, every effort has been made to insure that this product meets the standards of you and your consumers. In the unlikely event this product does not meet your expectations please call me collect. Your business is so important to us that I will follow up immediately to insure your satisfaction. Thank you for this opportunity to serve your needs.

Robert G. Campbell
Senior Vice President, Quality Assurance
Work (513) 852-3590 Home (606) 344-0969

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Robert Campbell—Sr. V.P., Quality Assurance

24TH ANNUAL RGI

1990
ADI REPORT

ADI Name	12/31/90 Population (Thous.)	12/31/90 % Of U.S.	12/31/90 Average Household Size	1990 Per Capita EBI	1990 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Eating Place Units	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Waco - Temple - Bryan	708.5	.2824	2.83	10,649	367,332	345,939	783	164,504	48	133,406	39	73	73
Washington, D.C.	4,747.6	1.8926	2.70	18,643	4,115,846	4,006,752	6,158	1,431,780	36	1,970,827	49	119	128
Watertown - Carthage	253.1	.1009	2.93	10,282	156,956	141,625	338	54,962	39	73,444	52	82	62
Wausau - Rhinelander	438.3	.1748	2.71	11,730	291,940	249,097	657	86,409	35	150,553	60	91	67
West Palm Beach - Ft. Pierce - Vero Beach	1,278.2	.5096	2.39	16,803	1,108,583	1,052,770	1,638	322,864	31	654,707	62	107	104
Wheeling - Steubenville	374.3	.1491	2.58	11,336	186,358	167,655	434	92,066	55	61,258	37	71	79
Wichita - Hutchinson	1,103.3	.4401	2.60	13,522	716,944	688,296	1,734	347,262	50	262,536	38	94	74
Wichita Falls - Lawton	413.4	.1648	2.71	10,371	239,324	227,978	543	114,679	50	82,602	36	94	66
Wilkes-Barre - Scranton	1,376.7	.5488	2.62	11,961	798,061	743,152	1,811	297,586	40	369,721	50	78	75
Wilmington	386.8	.1542	2.65	10,082	224,917	220,832	518	118,877	54	81,028	37	89	69
Yakima - Pasco - Richland - Kennewick	482.1	.1923	2.77	11,869	316,275	289,442	579	108,387	37	162,452	56	78	92
Youngstown	718.8	.2865	2.64	12,464	403,980	367,457	934	165,857	45	163,486	44	86	74
Zanesville	82.1	.0327	2.67	10,081	55,726	52,351	105	26,843	51	21,760	42	97	69
Total U.S. ADIs	249,137.4	99.3323	2.70	13,943	179,568,688	168,158,784	315,283	67,811,145	40	80,998,895	48	100	100

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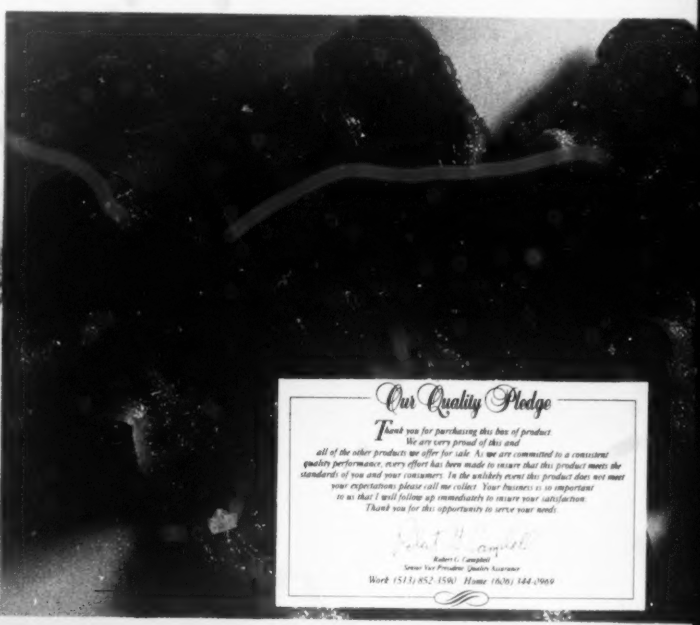

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25TH ANNUAL [illegible]

1990 TOTAL POPULATION

METRO RANKING

Metro Area	Pop. (000)	Rank
Los Angeles - Long Beach	8,967.9	1
New York	8,592.1	2
Chicago	6,077.3	3
Philadelphia	4,886.9	4
Detroit	4,387.9	5
Washington	3,988.4	6
Boston - Lawrence - Salem - Lowell - Brockton	3,791.4	7
Houston	3,331.2	8
Atlanta	2,914.8	9
Riverside - San Bernardino	2,724.0	10
Nassau - Suffolk	2,616.2	11
Dallas	2,602.9	12
San Diego	2,562.9	13
Minneapolis - St. Paul	2,501.4	14
St. Louis	2,456.9	15
Anaheim - Santa Ana	2,451.1	16
Baltimore	2,404.9	17
Phoenix	2,169.7	18
Oakland	2,111.7	19
Tampa - St. Petersburg - Clearwater	2,110.1	20
Pittsburgh	2,047.2	21
Seattle	2,006.7	22
Miami - Hialeah	1,963.0	23
Cleveland	1,825.8	24
Newark	1,822.7	25
Denver	1,633.3	26
San Francisco	1,611.7	27
Kansas City	1,584.7	28
Sacramento	1,523.3	29
San Jose	1,512.9	30
Cincinnati	1,457.8	31
Milwaukee	1,436.8	32
Norfolk - Virginia Beach - Newport News	1,419.4	33
Columbus, Ohio	1,389.7	34
Fort Worth - Arlington	1,361.0	35
San Antonio	1,324.0	36
Fort Lauderdale - Hollywood - Pompano Beach	1,278.4	37
Bergen - Passaic	1,276.9	38
Indianapolis	1,258.1	39
Portland, Ore.	1,252.0	40
New Orleans	1,236.3	41
Charlotte - Gastonia - Rock Hill	1,181.4	42
Hartford - New Britain - Middletown - Bristol	1,130.7	43
Orlando	1,104.8	44
Salt Lake City - Ogden	1,083.2	45
Middlesex - Somerset - Hunterdon	1,031.4	46
Rochester, N.Y.	1,004.9	47
Monmouth - Ocean	1,000.9	48
Nashville	997.5	49
Memphis	990.6	50
Buffalo	966.3	51
Oklahoma City	962.1	52
Dayton - Springfield	953.8	53
Louisville	953.0	54
Greensboro - Winston-Salem - High Point	949.6	55
Jacksonville, Fla.	927.1	56
Providence - Pawtucket - Woonsocket	921.4	57
Birmingham	911.0	58
West Palm Beach - Boca Raton - Delray Beach	896.4	59
Albany - Schenectady - Troy	879.9	60
Richmond - Petersburg	875.4	61
Honolulu	842.6	62
Bridgeport - Stamford - Norwalk - Danbury	827.1	63
New Haven - Waterbury - Meriden	807.9	64
Austin	798.0	65
Las Vegas	773.4	66
Raleigh - Durham	750.2	67
Scranton - Wilkes-Barre	736.3	68
Worcester - Fitchburg - Leominster	717.5	69
Tulsa	711.0	70
Grand Rapids	696.2	71
Allentown - Bethlehem - Easton	692.3	72
Fresno	682.9	73
Oxnard - Ventura	680.7	74
Tucson	677.9	75
Syracuse	661.0	76
Akron	658.6	77
Greenville - Spartanburg	647.5	78
Omaha	621.3	79
Toledo	614.8	80
Knoxville	608.4	81
Springfield, Mass.	606.6	82
Gary - Hammond	603.2	83
El Paso	602.6	84
Tacoma	594.7	85
Harrisburg - Lebanon - Carlisle	591.5	86
Wilmington, Del.	584.4	87
Bakersfield	558.9	88
Jersey City	550.9	89
Baton Rouge	528.2	90
Lake County, Ill.	525.8	91
Little Rock - North Little Rock	516.1	92
Charleston, S.C.	515.5	93
New Bedford - Fall River - Attleboro	509.1	94
Albuquerque	491.3	95
Stockton	490.6	96
Youngstown - Warren	490.2	97
Mobile	479.4	98
Vallejo - Fairfield - Napa	467.0	99
Wichita	458.6	100
Columbia, S.C.	458.3	101
Johnson City - Kingsport - Bristol	436.4	102
Chattanooga	435.2	103
Lansing - East Lansing	434.5	104
Lancaster	429.6	105
Flint	429.1	106
York	421.6	107
Lakeland - Winter Haven	411.9	108
Melbourne - Titusville - Palm Bay	408.8	109
Colorado Springs	405.0	110
Augusta	400.1	111
Saginaw - Bay City - Midland	398.5	112
Santa Rosa - Petaluma	397.7	113
Jackson, Miss.	397.4	114
Des Moines	396.0	115
Canton	394.2	116
Joliet	393.1	117
McAllen - Edinburg - Mission	393.0	118
Modesto	384.4	119
Daytona Beach	379.8	120
Santa Barbara - Santa Maria - Lompoc	373.5	121
Madison	370.4	122
Fort Wayne	365.8	123
Aurora - Elgin	363.4	124
Salinas - Seaside - Monterey	363.1	125
Spokane	362.2	126
Beaumont - Port Arthur	359.1	127
Portsmouth - Dover - Rochester	356.6	128
Lexington-Fayette	351.1	129
Corpus Christi	350.5	130
Pensacola	348.8	131
Davenport - Rock Island - Moline	348.4	132
Fort Myers - Cape Coral	345.2	133
Manchester - Nashua	341.3	134
Reading	338.8	135
Peoria	338.1	136
Shreveport	333.0	137
Trenton	328.1	138
Atlantic City	323.0	139
Visalia - Tulare - Porterville	318.7	140
Appleton - Oshkosh - Neenah	317.5	141
Utica - Rome	316.3	142
Orange County, N.Y.	312.7	143
Huntington - Ashland	310.7	144
Montgomery	294.6	145
Hamilton - Middletown	294.2	146
Ann Arbor	284.8	147
Eugene - Springfield	284.3	148
Rockford	284.2	149
Macon - Warner Robins	284.0	150
Sarasota	282.7	151
Salem, Ore.	280.5	152
Evansville	279.2	153
Fayetteville, N.C.	275.8	154
Erie	275.1	155
Lorain - Elyria	271.3	156
Provo - Orem	266.4	157
Binghamton	264.4	158
Brownsville - Harlingen	263.0	159
Poughkeepsie	262.2	160
Reno	260.0	161
Fort Pierce	258.9	162
Killeen - Temple	258.2	163
New London - Norwich	256.2	164
Charleston, W.Va.	249.2	165
South Bend - Mishawaka	247.7	166
Portland, Me.	245.3	167
Savannah	244.6	168
Columbus, Ga.	244.5	169
Springfield, Mo.	243.3	170
Huntsville	242.7	171
Vancouver	242.3	172
Johnstown	239.7	173
Duluth	238.5	174
Tallahassee	237.3	175
Santa Cruz	233.1	176
Boulder - Longmont	227.3	177
Anchorage	226.8	178
Roanoke	224.8	179
Kalamazoo	224.5	180
Lubbock	224.1	181
Hickory - Morganton	223.4	182
Niagara Falls	220.6	183
Galveston - Texas City	218.3	184
Bradenton	215.6	185
Lincoln	215.4	186
Boise	208.1	187
Lafayette, La.	208.0	188
Gainesville	206.6	189
Ocala	200.5	190
Biloxi - Gulfport	197.[illegible]	191
Green Bay	196.2	192
Bremerton	194.2	193
St. Cloud	193.1	194
Brazoria	192.7	195
Fort Collins - Loveland	190.7	196
Yakima	190.0	197
Springfield, Ill.	189.9	198
Waco	189.9	198
Amarillo	188.0	200
Chico	185.3	201
Beaver County, Pa.	185.0	202
Houma - Thibodaux	182.2	203
Merced	181.8	204
Fort Smith	177.3	205
Asheville	175.9	206
Racine	175.6	207
Champaign - Urbana - Rantoul	173.4	208
Clarksville - Hopkinsville	170.6	209
Cedar Rapids	169.3	210
Lake Charles	168.1	211
Olympia	164.5	212
Longview - Marshall	162.0	213
Topeka	162.0	214
Benton Harbor	161.4	215
Muskegon	159.6	216
Athens	158.1	217
Wheeling	157.8	218
Elkhart - Goshen	157.6	219
Naples	157.4	220
Lima	154.6	221
Fargo - Moorhead	154.4	222
Tyler	152.9	223
Redding	151.6	224
Tuscaloosa	151.6	224
Jacksonville, N.C.	151.5	226
Jackson, Mich.	150.4	227
Richland - Kennewick - Pasco	150.3	228
Parkersburg - Marietta	148.4	229
Medford	148.0	230
Bangor	147.5	231
Fort Walton Beach	146.9	232
Anderson, S.C.	146.2	233
Waterloo - Cedar Falls	145.4	234
Lynchburg	142.3	235
Monroe	141.9	236
Jamestown - Dunkirk	141.4	237
Steubenville - Weirton	141.2	238
Janesville - Beloit	139.3	239
Pittsfield	139.0	240
Burlington, Vt.	138.7	241
Las Cruces	138.6	242
Vineland - Millville - Bridgeton	138.5	243
Eau Claire	138.2	244
Battle Creek	136.1	245
Joplin	135.6	246
Laredo	135.6	246
Charlottesville	132.6	248
Greeley	132.3	249
Dothan	131.9	250
Lafayette - West Lafayette	131.2	251
Florence, Ala.	131.1	252
Alexandria, La.	131.0	253
Altoona	130.3	254
Terre Haute	130.3	254
Anderson, Ind.	130.1	256
Bloomington - Normal	130.1	256
Bellingham	129.6	258
Panama City	129.2	259
Kenosha	129.0	260
Mansfield	126.0	261
Sioux Falls	125.1	262
State College	124.6	263
Yuba City	124.4	264
Pueblo	123.1	265
Bryan - College Station	122.9	266
Hagerstown	122.1	267
Wichita Falls	122.0	268
Wilmington, N.C.	121.4	269
Sharon	120.5	270
Texarkana	120.4	271
Glens Falls	119.6	272
Abilene	119.5	273
Muncie	119.3	274
Williamsport	119.1	275
Santa Fe	118.7	276
Odessa	118.0	277
Anniston	116.2	278
Decatur, Ill.	116.2	278
Wausau	115.9	280
Pascagoula	115.1	281
Sioux City	115.0	282
Florence, S.C.	114.8	283
Fayetteville - Springdale	114.6	284
Columbia, Mo.	113.1	285
Billings	113.0	286
Albany, Ga.	112.3	287
Lawton	111.2	288
Bloomington, Ind.	109.6	289
Burlington, N.C.	109.0	290
Yuma	108.9	291
Danville, Va.	108.4	292
Rochester, Minn.	107.6	293
Midland, Tex.	107.4	294
Lewiston - Auburn	106.1	295
Sheboygan	104.2	296
Cumberland	101.3	297
Decatur, Ala.	101.1	298
Gadsden	99.7	299
San Angelo	99.3	300
La Crosse	98.4	301
Iowa City	96.9	302
Kokomo	96.3	303
Kankakee	96.0	304
Elmira	95.4	305
Sherman - Denison	95.0	306
Owensboro	87.2	307
Dubuque	86.2	308
Pine Bluff	85.4	309
Bismarck	83.8	310
Lawrence, Kans.	82.9	311
St. Joseph	82.8	312
Rapid City	82.4	313
Jackson, Tenn.	78.1	314
Great Falls	77.5	315
Victoria	74.3	316
Cheyenne	73.3	317
Grand Forks	71.0	318
Casper	60.2	319
Enid	55.7	320
Total Above Areas	194,994.1	
Percent of U.S.	77.7451	
United States Total	250,812.0	

25TH ANNUAL RGI

1990

PER CAPITA EFFECTIVE BUYING INCOME

METRO RANKING

Metro Area	Per Capita EBI	**Rank**
Bridgeport - Stamford - Norwalk - Danbury	22,365	1
Middlesex - Somerset - Hunterdon	21,808	2
Bergen - Passaic	21,206	3
San Francisco	20,998	4
Trenton	20,704	5
Nassau - Suffolk	20,554	6
Washington	19,862	7
San Jose	19,573	8
Newark	19,188	9
Lake County, Ill	18,978	10
Monmouth - Ocean	18,752	11
West Palm Beach - Boca Raton - Delray Beach	18,191	12
Oakland	18,166	13
Manchester - Nashua	18,063	14
Boston - Lawrence - Salem - Lowell - Brockton	18,006	15
Seattle	17,941	16
Anaheim - Santa Ana	17,931	17
Hartford - New Britain - Middletown - Bristol	17,323	18
Poughkeepsie	17,147	19
Fort Lauderdale - Hollywood - Pompano Beach	16,972	20
New Haven - Waterbury - Meriden	16,798	21
Santa Cruz	16,795	22
Anchorage	16,782	23
Santa Rosa - Petaluma	16,678	24
Oxnard - Ventura	16,387	25
Portsmouth - Dover - Rochester	16,198	26
Denver	16,128	27
Chicago	16,111	28
San Diego	16,067	29
Minneapolis - St Paul	16,054	30
Philadelphia	15,970	31
New York	15,967	32
Honolulu	15,921	33
Santa Barbara - Santa Maria - Lompoc	15,910	34
Peoria	15,904	35
Kenosha	15,808	36
Sacramento	15,782	37
Milwaukee	15,745	38
Sarasota	15,684	39
Rochester, N Y	15,627	40
Rochester, Minn	15,580	41
Topeka	15,573	42
Wichita	15,533	43
Portland, Me	15,495	44
Huntsville	15,489	45
Albany - Schenectady - Troy	15,470	46
Wilmington, Del	15,448	47
Lincoln	15,432	48
Los Angeles - Long Beach	15,415	49
Kansas City	15,373	50
Sioux Falls	15,342	51
Dallas	15,340	52
Omaha	15,334	53
Burlington, Vt	15,332	54
Worcester - Fitchburg - Leominster	15,325	55
Binghamton	15,287	56
New London - Norwich	15,285	57
Raleigh - Durham	15,276	58
Atlanta	15,257	59
Richmond - Petersburg	15,202	60
Madison	15,192	61
Cedar Rapids	15,166	62
Reno	15,159	63
Harrisburg - Lebanon - Carlisle	15,156	64
Fort Myers - Cape Coral	15,093	65
Bloomington - Normal	15,068	66
Waterloo - Cedar Falls	15,060	67
Baltimore	15,044	68
Decatur, Ill	15,034	69
St Louis	15,002	70
Cleveland	14,894	71
Davenport - Rock Island - Moline	14,865	72
Santa Fe	14,860	73
Fort Worth - Arlington	14,809	74
Kalamazoo	14,802	75
Midland, Tex	14,769	76
Aurora - Elgin	14,736	77
Joliet	14,708	78
Portland, Ore	14,676	79
Detroit	14,603	80
Richland - Kennewick - Pasco	14,597	81
Des Moines	14,594	82
Naples	14,550	83
Rockford	14,498	84
Brazoria	14,461	85
Battle Creek	14,452	86
Grand Forks	14,426	87
Cincinnati	14,416	88
Ann Arbor	14,415	89
Allentown - Bethlehem - Easton	14,406	90
Pittsfield	14,352	91
Boulder - Longmont	14,331	92
Syracuse	14,316	93
Orange County, N Y	14,309	94
Providence - Pawtucket - Woonsocket	14,284	95
Nashville	14,254	96
Jersey City	14,236	97
Austin	14,226	98
Sheboygan	14,201	99
Vallejo - Fairfield - Napa	14,200	100
Bradenton	14,196	101
Buffalo	14,176	102
Pittsburgh	14,[illegible]	103
Salinas - Seaside - Monterey	14,[illegible]	104
Tampa - St Petersburg - Clearwater	14,073	105
Iowa City	14,028	106
Indianapolis	14,000	107
York	13,973	108
Racine	13,958	109
Houston	13,935	110
Lancaster	13,910	111
Phoenix	13,909	112
Columbia, Mo	13,896	113
Reading	13,872	114
Greensboro - Winston-Salem - High Point	13,833	115
Orlando	13,830	116
Grand Rapids	13,823	117
Atlantic City	13,735	118
Columbia, S C	13,710	119
Jacksonville, Fla	13,674	120
Boise	13,673	121
Springfield, Mass	13,664	122
Galveston - Texas City	13,649	123
Lansing - East Lansing	13,645	124
Erie	13,610	125
Dayton - Springfield	13,608	126
Rapid City	13,592	127
Springfield, Ill	13,561	128
Charlottesville	13,527	129
Kokomo	13,506	130
Columbus, Ohio	13,490	131
Melbourne - Titusville - Palm Bay	13,477	132
Fort Pierce	13,460	133
Las Vegas	13,459	134
Casper	13,446	135
Riverside - San Bernardino	13,415	136
Charlotte - Gastonia - Rock Hill	13,400	137
Little Rock - North Little Rock	13,399	138
Appleton - Oshkosh - Neenah	13,367	139
Amarillo	13,357	140
Champaign - Urbana - Rantoul	13,330	141
New Bedford - Fall River - Attleboro	13,313	142
Roanoke	13,269	143
Olympia	13,263	144
Lexington-Fayette	13,249	145
Daytona Beach	13,245	146
Beaumont - Port Arthur	13,223	147
Bremerton	13,208	148
Vineland - Millville - Bridgeton	13,192	149
Lawrence, Kans	13,188	150
Toledo	13,183	151
La Crosse	13,175	152
Fort Wayne	13,173	153
Niagara Falls	13,168	154
Akron	13,144	155
Janesville - Beloit	13,133	156
Green Bay	13,046	157
Louisville	13,043	158
Evansville	13,041	159
Miami - Hialeah	13,007	160
Tyler	12,981	161
Vancouver	12,981	161
Bakersfield	12,976	163
Duluth	12,975	164
Charleston, W Va	12,940	165
Fort Walton Beach	12,934	166
Norfolk - Virginia Beach - Newport News	12,932	167
Jackson, Mich	12,917	168
Bismarck	12,884	169
Tallahassee	12,871	170
Saginaw - Bay City - Midland	12,737	171
Lewiston - Auburn	12,726	172
Lorain - Elyria	12,719	173
Sharon	12,709	174
Fargo - Moorhead	12,705	175
Youngstown - Warren	12,701	176
Savannah	12,698	177
Pensacola	12,687	178
Fresno	12,681	179
Baton Rouge	12,671	180
Utica - Rome	12,640	181
Beaver County, Pa	12,638	182
South Bend - Mishawaka	12,599	183
Odessa	12,569	184
Benton Harbor	12,567	185
Glens Falls	12,565	186
Hickory - Morganton	12,563	187
Macon - Warner Robins	12,555	188
Colorado Springs	12,553	189
St Joseph	12,541	190
San Angelo	12,508	191
Knoxville	12,494	192
Asheville	12,449	193
Lynchburg	12,432	194
Sherman - Denison	12,427	195
Lafayette - West Lafayette	12,422	196
Williamsport	12,413	197
Scranton - Wilkes-Barre	12,400	198
Billings	12,399	199
Tulsa	12,384	200
Elmira	12,328	201
Lakeland - Winter Haven	12,327	202
Bangor	12,321	203
Albuquerque	12,308	204
Kankakee	12,302	205
New Orleans	12,272	206
Memphis	12,221	207
Redding	12,219	208
Birmingham	12,207	209
Canton	12,207	209
Stockton	12,200	211
Springfield, Mo	12,196	212
Wausau	12,169	213
Modesto	12,166	214
Mansfield	12,149	215
Bloomington, Ind	12,146	216
Gainesville	12,143	217
Lafayette, La	12,143	217
Jackson, Miss	12,140	219
Hamilton - Middletown	12,111	220
Great Falls	12,107	221
Burlington, N C	12,095	222
Anderson, Ind	12,093	223
Flint	12,052	224
Greenville - Spartanburg	12,045	225
Oklahoma City	12,016	226
Muskegon	12,015	227
Gary - Hammond	11,992	228
Hagerstown	11,991	229
Steubenville - Weirton	11,974	230
Dubuque	11,972	231
Longview - Marshall	11,971	232
Jackson, Tenn	11,963	233
Terre Haute	11,959	234
Elkhart - Goshen	11,955	235
Lima	11,931	236
Jamestown - Dunkirk	11,920	237
Wilmington, N C	11,907	238
Fort Collins - Loveland	11,887	239
Spokane	11,866	240
Chattanooga	11,829	241
Bellingham	11,827	242
Eau Claire	11,786	243
Victoria	11,768	244
Montgomery	11,764	245
Altoona	11,763	246
Lake Charles	11,761	247
Fayetteville - Springdale	11,747	248
Augusta	11,699	249
Sioux City	11,686	250
Shreveport	11,675	251
Parkersburg - Marietta	11,657	252
Wheeling	11,653	253
Johnson City - Kingsport - Bristol	11,636	254
Muncie	11,610	255
Anderson, S C	11,602	256
Lubbock	11,592	257
Mobile	11,589	258
Tacoma	11,531	259
Houma - Thibodaux	11,517	260
Yuba City	11,500	261
Biloxi - Gulfport	11,499	262
Chico	11,473	263
Eugene - Springfield	11,456	264
Enid	11,429	265
Charleston, S C	11,422	266
Danville, Va	11,420	267
San Antonio	11,359	268
Owensboro	11,354	269
Cheyenne	11,335	270
Tucson	11,334	271
State College	11,313	272
Athens	11,291	273
Wichita Falls	11,249	274
Pascagoula	11,220	275
Florence, Ala	11,218	276
Medford	11,113	277
Salt Lake City - Ogden	11,097	278
Waco	11,094	279
Abilene	11,037	280
Cumberland	10,949	281
St Cloud	10,947	282
Bryan - College Station	10,924	283
Joplin	10,880	284
Albany, Ga	10,850	285
Ocala	10,850	285
Columbus, Ga	10,836	287
Decatur, Ala	10,834	288
Texarkana	10,824	289
Fort Smith	10,789	290
Killeen - Temple	10,756	291
Fayetteville, N C	10,692	292
Corpus Christi	10,644	293
Dothan	10,584	294
Greeley	10,555	295
Huntington - Ashland	10,512	296
Anniston	10,505	297
Tuscaloosa	10,411	298
Pueblo	10,373	299
Salem, Ore	10,296	300
Lawton	10,255	301
Alexandria, La	10,238	302
Clarksville - Hopkinsville	10,211	303
Yakima	10,201	304
Panama City	10,197	305
Johnstown	10,188	306
Merced	10,100	307
Monroe	9,976	308
Pine Bluff	9,956	309
Visalia - Tulare - Porterville	9,882	310
Florence, S C	9,837	311
Gadsden	9,770	312
El Paso	8,916	313
Las Cruces	8,828	314
Yuma	8,327	315
Jacksonville, N C	8,147	316
Provo - Orem	7,899	317
Brownsville - Harlingen	7,048	318
McAllen - Edinburg - Mission	6,479	319
Laredo	6,258	320
Total Above Areas	14,854	
United States Total	13,952	

24TH ANNUAL RGI

1990
EATING PLACE SALES

METRO RANKING

Metro Area	Sales($000)	Rank
Los Angeles - Long Beach	7,652,508	1
New York	6,035,834	2
Chicago	4,686,444	3
Boston - Lawrence - Salem - Lowell - Brockton	3,758,379	4
Washington	3,569,072	5
Detroit	2,979,067	6
Philadelphia	2,961,796	7
Anaheim - Santa Ana	2,657,310	8
Atlanta	2,619,897	9
San Francisco	2,281,121	10
Dallas	2,234,639	11
Houston	2,140,054	12
San Diego	2,077,818	13
Seattle	1,990,491	14
Minneapolis - St Paul	1,937,225	15
Nassau - Suffolk	1,922,245	16
St Louis	1,815,024	17
Oakland	1,668,581	18
Baltimore	1,646,976	19
Riverside - San Bernardino	1,612,402	20
Phoenix	1,606,303	21
Tampa - St Petersburg - Clearwater	1,552,506	22
Miami - Hialeah	1,468,678	23
Honolulu	1,354,970	24
San Jose	1,350,879	25
Pittsburgh	1,335,430	26
Denver	1,305,119	27
Cleveland	1,220,785	28
Orlando	1,192,418	29
Kansas City	1,177,701	30
Cincinnati	1,172,371	31
Fort Lauderdale - Hollywood - Pompano Beach	1,171,983	32
Newark	1,166,305	33
Sacramento	1,159,866	34
Portland, Ore	1,083,617	35
Milwaukee	1,030,543	36
Columbus, Ohio	1,016,076	37
New Orleans	1,015,338	38
Norfolk - Virginia Beach - Newport News	1,003,595	39
Indianapolis	988,930	40
San Antonio	980,904	41
Raleigh - Durham	965,861	42
Bergen - Passaic	957,323	43
Fort Worth - Arlington	931,298	44
Hartford - New Britain - Middletown - Bristol	921,448	45
Charlotte - Gastonia - Rock Hill	825,132	46
West Palm Beach - Boca Raton - Delray Beach	798,149	47
Nashville	796,855	48
Jacksonville, Fla	746,600	49
Oklahoma City	732,125	50
Louisville	706,020	51
Middlesex - Somerset - Hunterdon	679,151	52
Greensboro - Winston-Salem - High Point	677,550	53
Providence - Pawtucket - Woonsocket	674,193	54
Rochester, N Y	669,198	55
Salt Lake City - Ogden	662,262	56
Austin	656,786	57
Monmouth - Ocean	652,119	58
Bridgeport - Stamford - Norwalk - Danbury	651,299	59
Buffalo	649,634	60
Dayton - Springfield	635,213	61
Albany - Schenectady - Troy	621,822	62
Richmond - Petersburg	620,018	63
Memphis	592,610	64
New Haven - Waterbury - Meriden	585,252	65
Birmingham	572,827	66
Las Vegas	571,564	67
Worcester - Fitchburg - Leominster	516,514	68
Oxnard - Ventura	510,404	69
Tulsa	500,819	70
Syracuse	481,313	71
Springfield, Mass	457,201	72
Knoxville	451,672	73
Scranton - Wilkes-Barre	446,327	74
Omaha	442,486	75
Greenville - Spartanburg	436,579	76
Fresno	427,293	77
Tucson	425,178	78
Akron	424,748	79
Grand Rapids	420,097	80
Toledo	417,835	81
Albuquerque	408,691	82
Allentown - Bethlehem - Easton	407,505	83
New Bedford - Fall River - Attleboro	404,939	84
Tacoma	402,192	85
Atlantic City	397,132	86
Wilmington, Del	379,335	87
Columbia, S C	367,242	88
Charleston, S C	364,110	89
Wichita	360,200	90
Harrisburg - Lebanon - Carlisle	358,442	91
Anchorage	352,719	92
Lake County, Ill	349,727	93
Portsmouth - Dover - Rochester	342,372	94
Little Rock - North Little Rock	339,725	95
Santa Barbara - Santa Maria - Lompoc	334,524	96
Lexington-Fayette	320,009	97
Gary - Hammond	314,766	98
Fort Myers - Cape Coral	312,640	99
Bakersfield	309,384	100
Salinas - Seaside - Monterey	307,850	101
Baton Rouge	304,140	102
Stockton	302,281	103
Manchester - Nashua	301,776	104
Des Moines	298,981	105
Melbourne - Titusville - Palm Bay	297,117	106
Madison	295,713	107
Vallejo - Fairfield - Napa	294,359	108
Daytona Beach	293,830	109
Sarasota	292,192	110
Santa Rosa - Petaluma	287,809	111
Spokane	287,493	112
Lancaster	286,640	113
Mobile	284,705	114
Lansing - East Lansing	274,763	115
Chattanooga	272,973	116
Augusta	272,498	117
El Paso	272,006	118
Portland, Me	269,136	119
Youngstown - Warren	268,809	120
Flint	254,277	121
Colorado Springs	254,157	122
Jackson, Miss	247,712	123
Fort Wayne	247,236	124
Saginaw - Bay City - Midland	241,134	125
Davenport - Rock Island - Moline	238,277	126
York	237,031	127
Ann Arbor	234,839	128
Jersey City	234,530	129
Modesto	229,874	130
Johnson City - Kingsport - Bristol	229,848	131
Trenton	228,076	132
Canton	224,720	133
Lakeland - Winter Haven	223,215	134
Reading	223,137	135
Shreveport	220,309	136
Pensacola	218,340	137
Corpus Christi	208,870	138
Aurora - Elgin	208,394	139
Eugene - Springfield	208,210	140
Beaumont - Port Arthur	205,590	141
Appleton - Oshkosh - Neenah	200,635	142
Peoria	200,370	143
New London - Norwich	195,551	144
Montgomery	195,133	145
Boulder - Longmont	194,518	146
Santa Cruz	194,438	147
Macon - Warner Robins	192,938	148
Evansville	190,768	149
Utica - Rome	190,505	150
Orange County, N Y	189,910	151
Savannah	188,545	152
Huntsville	180,604	153
Roanoke	180,533	154
Lubbock	179,955	155
Salem, Ore	179,365	156
Springfield, Mo	178,948	157
Fort Pierce	176,073	158
Reno	175,899	159
Rockford	173,687	160
Erie	171,525	161
Charleston, W Va	168,307	162
Tallahassee	166,776	163
Binghamton	164,980	164
Kalamazoo	164,144	165
South Bend - Mishawaka	163,330	166
Poughkeepsie	162,379	167
Joliet	161,304	168
Amarillo	160,083	169
Columbus, Ga	159,719	170
Bradenton	159,[illegible]7	171
Lafayette, La	159,[illegible]	172
Gainesville	157,[illegible]	173
Huntington - Ashland	156,2[illegible]	174
Fayetteville, N C	151,044	175
Springfield, Ill	145,590	176
Asheville	145,585	177
Hamilton - Middletown	144,925	178
Lincoln	142,534	179
Hickory - Morganton	142,061	180
Galveston - Texas City	142,021	181
Green Bay	141,945	182
Boise	141,744	183
Naples	141,629	184
Panama City	139,674	185
Fort Walton Beach	139,130	186
Vancouver	138,050	187
Champaign - Urbana - Rantoul	137,540	188
Burlington, Vt	133,763	189
Niagara Falls	132,038	190
Cedar Rapids	131,704	191
McAllen - Edinburg - Mission	131,124	192
Fort Collins - Loveland	129,698	193
Biloxi - Gulfport	128,973	194
Pittsfield	128,307	195
Visalia - Tulare - Porterville	125,096	196
Ocala	125,084	197
Wilmington, N C	124,031	198
Duluth	123,012	199
Waco	122,412	200
Topeka	122,294	201
Fort Smith	120,791	202
Lorain - Elyria	116,823	203
Killeen - Temple	116,152	204
Chico	114,471	205
Tyler	113,706	206
Brownsville - Harlingen	113,620	207
Medford	112,950	208
Fargo - Moorhead	109,925	209
Racine	108,350	210
Monroe	108,346	211
Bloomington - Normal	106,820	212
Yakima	105,664	213
Benton Harbor	105,545	214
Wichita Falls	105,510	215
Olympia	105,299	216
Longview - Marshall	102,899	217
Santa Fe	102,698	218
Athens	99,778	219
Charlottesville	98,387	220
Bangor	97,803	221
Johnstown	97,770	222
Sioux Falls	97,304	223
Elkhart - Goshen	96,645	224
Richland - Kennewick - Pasco	96,094	225
Dothan	96,093	226
Lima	94,405	227
Billings	94,131	228
Muskegon	93,599	229
St Cloud	93,339	230
Bellingham	92,987	231
Lynchburg	92,963	232
Glens Falls	91,932	233
Bremerton	91,300	234
Houma - Thibodaux	91,252	235
Lake Charles	91,091	236
Tuscaloosa	91,022	237
Clarksville - Hopkinsville	90,619	238
State College	89,814	239
Provo - Orem	89,353	240
Lafayette - West Lafayette	88,644	241
Redding	87,554	242
Wheeling	86,742	243
Janesville - Beloit	86,600	244
Eau Claire	86,300	245
Joplin	83,673	246
Waterloo - Cedar Falls	83,259	247
Parkersburg - Marietta	82,402	248
Abilene	82,354	249
Brazoria	81,897	250
Battle Creek	80,652	251
La Crosse	80,556	252
Anderson, S C	78,715	253
Beaver County, Pa	78,682	254
Rochester, Minn	78,284	255
Altoona	77,866	256
Terre Haute	76,907	257
Decatur, Ill	76,290	258
Bloomington, Ind	76,165	259
Jacksonville, N C	76,057	260
Jackson, Mich	75,869	261
Mansfield	74,742	262
Iowa City	74,227	263
Columbia, Mo	73,795	264
Sioux City	73,126	265
Burlington, N C	73,107	266
Pueblo	73,089	267
Muncie	73,051	268
Anniston	70,287	269
Lewiston - Auburn	70,001	270
Florence, Ala	69,685	271
Bryan - College Station	68,815	272
Alexandria, La	68,735	273
Kenosha	68,692	274
Merced	68,685	275
Albany, Ga	67,351	276
Anderson, Ind	67,086	277
Kokomo	67,048	278
Odessa	66,859	279
Rapid City	66,163	280
Texarkana	65,637	281
Florence, S C	65,557	282
Wausau	65,555	283
Jamestown - Dunkirk	64,682	284
Laredo	64,346	285
Fayetteville - Springdale	63,092	286
Midland, Tex	62,254	287
Dubuque	61,534	288
Decatur, Ala	60,079	289
San Angelo	59,495	290
Greeley	59,148	291
Williamsport	58,243	292
Las Cruces	58,129	293
Lawton	57,273	294
Hagerstown	56,852	295
Elmira	56,644	296
Lawrence, Kans	56,586	297
Vineland - Millville - Bridgeton	56,176	298
Cumberland	56,010	299
Danville, Va	55,865	300
Sharon	55,833	301
Sheboygan	54,607	302
St Joseph	54,454	303
Owensboro	54,383	304
Steubenville - Weirton	54,363	305
Bismarck	54,008	306
Yuba City	53,025	307
Great Falls	52,333	308
Pascagoula	51,412	309
Cheyenne	50,699	310
Gadsden	50,166	311
Sherman - Denison	49,198	312
Kankakee	48,720	313
Yuma	48,315	314
Grand Forks	43,571	315
Jackson, Tenn	42,449	316
Victoria	41,836	317
Pine Bluff	39,946	318
Casper	39,178	319
Enid	32,010	320
Total Above Areas	144,555,826	
Percent of U S	84.7830	
United States Total	170,500,875	

24TH ANNUAL ROI

1990
EATING PLACE UNITS

METRO RANKING

Metro Area	Units	**Rank**
Los Angeles - Long Beach	11,139	1
New York	10,730	2
Chicago	7,679	3
Philadelphia	5,394	4
Boston - Lawrence - Salem - Lowell - Brockton	5,339	5
Washington	5,252	6
Detroit	5,075	7
Atlanta	4,126	8
Nassau - Suffolk	3,674	9
Houston	3,647	10
Anaheim - Santa Ana	3,519	11
Dallas	3,460	12
San Francisco	3,450	13
San Diego	3,185	14
St. Louis	3,121	15
Seattle	2,956	16
Minneapolis - St. Paul	2,844	17
Oakland	2,798	18
Baltimore	2,739	19
Phoenix	2,649	20
Tampa - St. Petersburg - Clearwater	2,595	21
Pittsburgh	2,588	22
Riverside - San Bernardino	2,520	23
Miami - Hialeah	2,399	24
Denver	2,336	25
Cleveland	2,310	26
Newark	2,203	27
Sacramento	2,115	28
San Jose	2,054	29
Kansas City	1,989	30
Fort Lauderdale - Hollywood - Pompano Beach	1,926	31
Cincinnati	1,838	32
Milwaukee	1,770	33
Norfolk - Virginia Beach - Newport News	1,759	34
Columbus, Ohio	1,757	35
Portland, Ore	1,743	36
Indianapolis	1,734	37
Bergen - Passaic	1,711	38
San Antonio	1,700	39
Oklahoma City	1,594	40
Fort Worth - Arlington	1,584	41
Hartford - New Britain - Middletown - Bristol	1,567	42
Charlotte - Gastonia - Rock Hill	1,542	43
New Orleans	1,524	44
Orlando	1,464	45
Buffalo	1,456	46
Monmouth - Ocean	1,327	47
Providence - Pawtucket - Woonsocket	1,293	48
Honolulu	1,281	49
Greensboro - Winston-Salem - High Point	1,278	50
Rochester, N.Y	1,272	51
Albany - Schenectady - Troy	1,267	52
Nashville	1,266	53
Salt Lake City - Ogden	1,212	54
West Palm Beach - Boca Raton - Delray Beach	1,207	55
Jacksonville, Fla	1,205	56
Middlesex - Somerset - Hunterdon	1,203	57
Bridgeport - Stamford - Norwalk - Danbury	1,201	58
Austin	1,152	59
Dayton - Springfield	1,150	60
Richmond - Petersburg	1,145	61
Louisville	1,136	62
New Haven - Waterbury - Meriden	1,109	63
Raleigh - Durham	1,091	64
Memphis	1,070	65
Tulsa	1,026	66
Scranton - Wilkes-Barre	1,009	67
Birmingham	986	68
Syracuse	957	69
Worcester - Fitchburg - Leominster	887	70
Allentown - Bethlehem - Easton	861	71
Akron	835	72
Toledo	827	73
Las Vegas	826	74
Tucson	822	75
Knoxville	810	76
Omaha	808	77
Greenville - Spartanburg	803	78
Oxnard - Ventura	779	79
Atlantic City	776	80
Fresno	768	81
Grand Rapids	768	81
Springfield, Mass	757	83
Gary - Hammond	756	84
Wichita	737	85
Harrisburg - Lebanon - Carlisle	731	86
Albuquerque	717	87
New Bedford - Fall River - Attleboro	666	88
Lake County, Ill	661	89
Wilmington, Del	650	90
Little Rock - North Little Rock	644	91
Tacoma	637	92
Youngstown - Warren	631	93
Columbia, S.C	588	94
Bakersfield	582	95
Santa Barbara - Santa Maria - Lompoc	578	96
Charleston, S.C	576	97
Jersey City	572	98
Colorado Springs	564	99
Chattanooga	560	100
El Paso	557	101
Baton Rouge	543	102
Santa Rosa - Petaluma	543	102
Des Moines	539	104
Canton	534	105
Madison	533	106
Stockton	533	106
Mobile	522	108
Flint	513	109
Melbourne - Titusville - Palm Bay	513	109
Daytona Beach	507	111
Fort Wayne	504	112
Salinas - Seaside - Monterey	504	112
Vallejo - Fairfield - Napa	499	114
Lansing - East Lansing	497	115
Portsmouth - Dover - Rochester	496	116
Fort Myers - Cape Coral	492	117
Lexington-Fayette	478	118
Spokane	478	118
Lancaster	474	120
Davenport - Rock Island - Moline	473	121
York	473	121
Corpus Christi	472	123
Reading	463	124
Johnson City - Kingsport - Bristol	462	125
Peoria	462	125
Sarasota	460	127
Jackson, Miss	453	128
Manchester - Nashua	450	129
Trenton	443	130
Utica - Rome	434	131
Augusta	430	132
Lakeland - Winter Haven	430	132
Portland, Me	429	134
Eugene - Springfield	425	135
Aurora - Elgin	418	136
Orange County, N.Y	415	137
Saginaw - Bay City - Midland	413	138
Modesto	394	139
Santa Cruz	394	139
Boulder - Longmont	393	141
Joliet	390	142
Pensacola	390	142
Evansville	388	144
Appleton - Oshkosh - Neenah	385	145
Poughkeepsie	383	146
Beaumont - Port Arthur	380	147
Salem, Ore	379	148
Ann Arbor	370	149
Rockford	368	150
Niagara Falls	366	151
New London - Norwich	359	152
South Bend - Mishawaka	357	153
Shreveport	353	154
Erie	351	155
Anchorage	349	156
Huntington - Ashland	343	157
Macon - Warner Robins	343	157
Roanoke	343	157
Visalia - Tulare - Porterville	341	160
Hickory - Morganton	340	161
Duluth	338	162
Reno	335	163
Charleston, W.Va	328	164
Springfield, Mo	326	165
Lubbock	325	166
Savannah	319	167
Binghamton	315	168
Amarillo	314	169
Lorain - Elyria	310	170
Kalamazoo	309	171
Montgomery	305	172
Boise	299	173
Fort Pierce	297	174
Huntsville	297	174
McAllen - Edinburg - Mission	296	176
Fayetteville, N.C	288	177
Lincoln	288	177
Columbus, Ga	281	179
Hamilton - Middletown	279	180
Gainesville	276	181
Killeen - Temple	274	182
Fort Collins - Loveland	271	183
Springfield, Ill	270	184
Galveston - Texas City	265	185
Glens Falls	259	186
Vancouver	258	187
Tallahassee	257	188
Green Bay	255	189
Asheville	253	190
Johnstown	253	190
Pittsfield	250	192
Brownsville - Harlingen	248	193
Fort Smith	247	194
Biloxi - Gulfport	246	195
Lima	246	195
Topeka	245	197
Champaign - Urbana - Rantoul	244	198
Longview - Marshall	244	198
Waco	241	200
Panama City	240	201
Lafayette, La	235	202
Naples	235	202
Bradenton	234	204
Fort Walton Beach	234	204
Cedar Rapids	232	206
Provo - Orem	232	206
Wilmington, N.C	231	208
Benton Harbor	230	209
Redding	229	210
Chico	227	211
Burlington, Vt	224	212
Medford	223	213
Racine	221	214
Ocala	216	215
Elkhart - Goshen	212	216
St. Cloud	212	216
Fargo - Moorhead	211	218
Muskegon	208	219
Yakima	207	220
Billings	204	221
Bellingham	200	222
Jamestown - Dunkirk	199	223
Bloomington - Normal	196	224
Joplin	194	225
Monroe	193	226
Athens	190	227
Battle Creek	189	228
Clarksville - Hopkinsville	189	228
Olympia	189	228
Eau Claire	188	231
Waterloo - Cedar Falls	188	231
Wheeling	187	233
Janesville - Beloit	186	234
Santa Fe	186	234
Brazoria	185	236
Lynchburg	182	237
Odessa	182	237
Richland - Kennewick - Pasco	181	239
Beaver County, Pa	180	240
Tyler	180	240
Wichita Falls	180	240
Sioux Falls	179	243
Bangor	177	244
Charlottesville	177	244
Parkersburg - Marietta	175	246
Bremerton	174	247
Houma - Thibodaux	173	248
Mansfield	173	248
Terre Haute	173	248
Tuscaloosa	171	251
Altoona	170	252
Jackson, Mich	169	253
Pueblo	169	253
Anderson, S.C	167	255
Lafayette - West Lafayette	165	256
Lake Charles	165	256
Steubenville - Weirton	165	256
State College	162	259
Dothan	160	260
Florence, Ala	160	260
Merced	160	260
Abilene	159	263
Sioux City	159	263
Bloomington, Ind	158	265
La Crosse	157	266
Burlington, N.C	156	267
Kenosha	156	267
Sharon	155	269
Fayetteville - Springdale	153	270
Las Cruces	153	270
Midland, Tex	153	270
Williamsport	151	273
Vineland - Millville - Bridgeton	150	274
Decatur, Ill	149	275
Wausau	148	276
Cumberland	146	277
Anderson, Ind	145	278
Bryan - College Station	145	278
Jacksonville, N.C	143	280
Kokomo	142	281
Lawton	141	282
Albany, Ga	140	283
Columbia, Mo	140	283
Rapid City	139	285
Muncie	138	286
Hagerstown	137	287
Texarkana	135	288
Greeley	133	289
Danville, Va	132	290
Florence, S.C	131	291
Alexandria, La	129	292
Dubuque	129	292
Lewiston - Auburn	129	292
Great Falls	128	295
Rochester, Minn	128	295
Yuba City	127	297
Pascagoula	121	298
San Angelo	121	298
Elmira	120	300
Sherman - Denison	120	300
Owensboro	114	302
Sheboygan	114	302
Anniston	113	304
Iowa City	112	305
Yuma	112	305
St. Joseph	110	307
Decatur, Ala	109	308
Kankakee	109	308
Gadsden	106	310
Bismarck	103	311
Enid	103	311
Victoria	102	313
Cheyenne	101	314
Laredo	101	314
Casper	100	316
Grand Forks	95	317
Lawrence, Kans	95	317
Pine Bluff	95	317
Jackson, Tenn	89	320
Total Above Areas	248,752	
Percent of U.S	78.2781	
United States Total	317,780	

24TH ANNUAL RGI

1990 FAST FOOD SALES

METRO RANKING

Metro Area	Sales($000)	Rank
Los Angeles - Long Beach	2,755,377	1
Chicago	1,670,514	2
New York	1,359,403	3
Detroit	1,226,665	4
Washington	1,210,868	5
Atlanta	1,204,411	6
Anaheim - Santa Ana	1,006,703	7
Boston - Lawrence - Salem - Lowell - Brockton	997,432	8
Philadelphia	962,051	9
Dallas	894,815	10
Houston	877,822	11
St. Louis	859,267	12
San Diego	803,810	13
Riverside - San Bernardino	774,080	14
Minneapolis - St. Paul	708,544	15
Baltimore	686,234	16
Seattle	684,070	17
Oakland	648,014	18
Phoenix	645,618	19
Tampa - St. Petersburg - Clearwater	583,418	20
San Francisco	579,199	21
Kansas City	562,363	22
Indianapolis	523,629	23
Cleveland	516,902	24
San Jose	515,246	25
Columbus, Ohio	505,333	26
Sacramento	501,504	27
Cincinnati	495,675	28
Pittsburgh	489,003	29
Nassau - Suffolk	488,799	30
Honolulu	481,178	31
Miami - Hialeah	472,412	32
Norfolk - Virginia Beach - Newport News	470,189	33
San Antonio	465,457	34
Raleigh - Durham	457,326	35
Denver	447,634	36
Fort Worth - Arlington	435,900	37
Charlotte - Gastonia - Rock Hill	427,378	38
New Orleans	411,911	39
Portland, Ore	403,592	40
Orlando	401,292	41
Milwaukee	397,672	42
Louisville	384,108	43
Nashville	378,369	44
Jacksonville, Fla	373,569	45
Fort Lauderdale - Hollywood - Pompano Beach	355,179	46
Newark	351,606	47
Salt Lake City - Ogden	338,943	48
Oklahoma City	336,711	49
Dayton - Springfield	332,776	50
Birmingham	313,432	51
Greensboro - Winston-Salem - High Point	312,279	52
Austin	286,147	53
Memphis	287,752	54
Richmond - Petersburg	285,924	55
Hartford - New Britain - Middletown - Bristol	285,758	56
Bergen - Passaic	263,372	57
Rochester, N.Y	259,082	58
Buffalo	258,949	59
Tulsa	240,321	60
Las Vegas	236,985	61
Greenville - Spartanburg	232,743	62
Providence - Pawtucket - Woonsocket	227,596	63
West Palm Beach - Boca Raton - Delray Beach	223,089	64
Middlesex - Somerset - Hunterdon	216,957	65
Oxnard - Ventura	215,240	66
Knoxville	206,084	67
Fresno	202,509	68
Albany - Schenectady - Troy	202,029	69
Omaha	195,012	70
New Haven - Waterbury - Meriden	189,264	71
Akron	188,027	72
Monmouth - Ocean	185,289	73
Tucson	182,654	74
Scranton - Wilkes-Barre	176,982	75
Toledo	176,330	76
Wichita	173,669	77
Bridgeport - Stamford - Norwalk - Danbury	172,564	78
Columbia, S.C	172,323	79
Little Rock - North Little Rock	172,233	80
Worcester - Fitchburg - Leominster	172,091	81
Albuquerque	171,578	82
Syracuse	163,911	83
Grand Rapids	163,863	84
Bakersfield	160,305	85
Lexington-Fayette	158,743	86
Gary - Hammond	155,719	87
New Bedford - Fall River - Attleboro	155,524	88
Wilmington, Del	155,350	89
Tacoma	154,732	90
Springfield, Mass	152,990	91
Chattanooga	152,455	92
Mobile	152,251	93
Baton Rouge	152,048	94
Harrisburg - Lebanon - Carlisle	149,657	95
Charleston, S.C	149,209	96
Stockton	145,886	97
Allentown - Bethlehem - Easton	143,646	98
Johnson City - Kingsport - Bristol	142,298	99
Augusta	141,745	100
Vallejo - Fairfield - Napa	136,352	101
Lake County, Ill	129,456	102
El Paso	127,515	103
Atlantic City	126,660	104
Jackson, Miss	124,972	105
Spokane	124,374	106
Youngstown - Warren	123,628	107
Des Moines	123,471	108
Lansing - East Lansing	123,130	109
Flint	120,732	110
Daytona Beach	120,089	111
Pensacola	118,864	112
Montgomery	118,359	113
Shreveport	113,969	114
Melbourne - Titusville - Palm Bay	113,070	115
Anchorage	112,519	116
Madison	112,247	117
Colorado Springs	111,316	118
Santa Barbara - Santa Maria - Lompoc	110,283	119
Corpus Christi	109,934	120
Huntsville	109,546	121
Lakeland - Winter Haven	108,801	122
Davenport - Rock Island - Moline	108,612	123
Canton	107,763	124
Fort Wayne	106,284	125
Beaumont - Port Arthur	104,016	126
Santa Rosa - Petaluma	102,897	127
Salinas - Seaside - Monterey	101,917	128
Portsmouth - Dover - Rochester	100,255	129
Charleston, W.Va	100,100	130
Evansville	99,313	131
Manchester - Nashua	98,929	132
Ann Arbor	97,729	133
Macon - Warner Robins	97,380	134
Saginaw - Bay City - Midland	96,785	135
Portland, Me	96,769	136
Savannah	95,169	137
Peoria	93,424	138
Huntington - Ashland	93,000	139
York	91,591	140
Lancaster	89,965	141
Fort Myers - Cape Coral	88,729	142
Modesto	87,440	143
Aurora - Elgin	84,946	144
Springfield, Mo	84,932	145
South Bend - Mishawaka	84,922	146
Jersey City	83,325	147
Lubbock	83,003	148
Eugene - Springfield	82,355	149
Columbus, Ga	80,731	150
Appleton - Oshkosh - Neenah	79,599	151
Fayetteville, N.C	79,020	152
Roanoke	78,794	153
Reading	77,836	154
Asheville	76,166	155
Biloxi - Gulfport	75,930	156
Lafayette, La	75,407	157
Reno	75,027	158
Hickory - Morganton	74,321	159
Santa Cruz	73,960	160
Amarillo	73,836	161
Sarasota	71,613	162
Trenton	71,325	163
Salem, Ore	70,945	164
Rockford	70,798	165
Boulder - Longmont	69,821	166
Hamilton - Middletown	68,726	167
Kalamazoo	68,310	168
New London - Norwich	67,333	169
Joliet	65,751	170
Galveston - Texas City	65,504	171
Lincoln	65,135	172
Wilmington, N.C	64,890	173
Fort Smith	64,745	174
Fort Pierce	64,567	175
Topeka	63,542	176
Boise	63,112	177
Erie	62,292	178
Tallahassee	61,155	179
McAllen - Edinburg - Mission	60,479	180
Springfield, Ill	59,348	181
Bradenton	58,527	182
Dothan	58,286	183
Cedar Rapids	58,149	184
Gainesville	57,807	185
Waco	56,460	186
Champaign - Urbana - Rantoul	56,064	187
Lorain - Elyria	55,400	188
Tuscaloosa	55,212	189
Fargo - Moorhead	54,371	190
Green Bay	53,845	191
Killeen - Temple	53,576	192
Utica - Rome	52,990	193
Orange County, N.Y	52,824	194
Tyler	52,445	195
Brownsville - Harlingen	52,406	196
Naples	51,936	197
Wheeling	51,805	198
Monroe	51,381	199
Panama City	51,218	200
Vancouver	51,129	201
Fort Walton Beach	51,017	202
Athens	50,378	203
Elkhart - Goshen	50,249	204
Parkersburg - Marietta	49,278	205
Wichita Falls	48,665	206
Visalia - Tulare - Porterville	47,583	207
Longview - Marshall	47,463	208
Clarksville - Hopkinsville	47,036	209
Fort Collins - Loveland	46,554	210
Lafayette - West Lafayette	46,089	211
Binghamton	45,890	212
Ocala	45,868	213
Provo - Orem	45,797	214
Duluth	45,343	215
Poughkeepsie	45,166	216
Santa Fe	45,150	217
Lima	44,769	218
Medford	44,676	219
Benton Harbor	43,924	220
Bloomington - Normal	43,543	221
Chico	43,541	222
Houma - Thibodaux	43,275	223
Lake Charles	43,199	224
Charlottesville	42,952	225
Anniston	42,633	226
Florence, Ala	42,268	227
Decatur, Ala	42,010	228
Racine	41,100	229
Lynchburg	40,577	230
Terre Haute	39,987	231
Jacksonville, N.C	39,789	232
Joplin	39,711	233
Bloomington, Ind	39,601	234
Sioux Falls	39,575	235
Yakima	39,136	236
Olympia	38,999	237
Muskegon	38,951	238
Anderson, S.C	38,807	239
Burlington, N.C	38,247	240
Abilene	37,984	241
Muncie	37,982	242
Brazoria	37,775	243
Billings	37,042	244
Waterloo - Cedar Falls	36,760	245
Niagara Falls	36,728	246
Pittsfield	36,312	247
Burlington, Vt	36,178	248
Richland - Kennewick - Pasco	35,589	249
Johnstown	35,505	250
Mansfield	35,443	251
Bangor	35,166	252
Columbia, Mo	35,023	253
Anderson, Ind	34,880	254
Kokomo	34,861	255
Bellingham	34,440	256
St. Cloud	34,406	257
Fayetteville - Springdale	34,191	258
Albany, Ga	33,993	259
Bremerton	33,816	260
Battle Creek	33,565	261
Redding	33,303	262
Janesville - Beloit	32,849	263
Iowa City	32,772	264
Eau Claire	32,736	265
State College	32,616	266
Alexandria, La	32,597	267
Florence, S.C	32,321	268
Sioux City	32,283	269
Bryan - College Station	31,739	270
Jackson, Mich	31,573	271
Decatur, Ill	31,098	272
Owensboro	30,850	273
Odessa	30,838	274
La Crosse	30,557	275
Gadsden	30,428	276
Texarkana	30,283	277
Pascagoula	30,267	278
Laredo	29,679	279
Lawrence, Kans	29,401	280
Rochester, Minn	28,859	281
Midland, Tex	28,714	282
Beaver County, Pa	28,574	283
Lawton	28,523	284
Altoona	28,277	285
San Angelo	27,441	286
Dubuque	27,168	287
Rapid City	26,909	288
Bismarck	26,620	289
Pueblo	26,234	290
Merced	26,126	291
Kenosha	26,057	292
St. Joseph	25,844	293
Steubenville - Weirton	25,747	294
Glens Falls	25,571	295
Las Cruces	25,557	296
Lewiston - Auburn	25,167	297
Jamestown - Dunkirk	25,084	298
Wausau	24,868	299
Danville, Va	24,385	300
Hagerstown	23,885	301
Cumberland	23,664	302
Sherman - Denison	22,692	303
Jackson, Tenn	21,932	304
Pine Bluff	21,646	305
Grand Forks	21,479	306
Greeley	21,231	307
Williamsport	21,151	308
Cheyenne	20,848	309
Sheboygan	20,714	310
Great Falls	20,593	311
Sharon	20,277	312
Yuba City	20,170	313
Kankakee	19,858	314
Victoria	19,296	315
Yuma	19,163	316
Vineland - Millville - Bridgeton	17,585	317
Casper	16,111	318
Enid	15,943	319
Elmira	15,755	320
Total Above Areas	56,193,596	
Percent of U.S	81.9162	
United States Total	68,598,869	

24TH ANNUAL RGI

1990 RESTAURANT SALES

METRO RANKING

Metro Area	Sales($000)	Rank
Los Angeles - Long Beach	4,050,288	1
New York	3,398,650	2
Chicago	2,410,171	3
Boston - Lawrence - Salem - Lowell - Brockton	2,182,655	4
Washington	1,792,144	5
Philadelphia	1,537,658	6
Anaheim - Santa Ana	1,387,626	7
Detroit	1,386,949	8
San Francisco	1,382,897	9
Seattle	1,116,285	10
San Diego	1,103,410	11
Atlanta	1,060,154	12
Nassau - Suffolk	1,055,561	13
Minneapolis - St. Paul	1,002,524	14
Houston	930,888	15
Dallas	922,594	16
Oakland	862,028	17
Tampa - St. Petersburg - Clearwater	808,670	18
Miami - Hialeah	772,179	19
Phoenix	764,307	20
Riverside - San Bernardino	745,339	21
Fort Lauderdale - Hollywood - Pompano Beach	723,316	22
San Jose	698,752	23
Baltimore	685,354	24
Orlando	684,650	25
Pittsburgh	675,528	26
Denver	673,033	27
St. Louis	671,951	28
Honolulu	640,136	29
Sacramento	578,104	30
Portland, Ore	570,078	31
Cleveland	569,376	32
Newark	560,570	33
Cincinnati	540,692	34
Milwaukee	526,553	35
West Palm Beach - Boca Raton - Delray Beach	519,737	36
Hartford - New Britain - Middletown - Bristol	496,587	37
Bergen - Passaic	494,769	38
Kansas City	478,931	39
New Orleans	437,952	40
Norfolk - Virginia Beach - Newport News	435,146	41
Columbus, Ohio	417,193	42
Monmouth - Ocean	411,552	43
Raleigh - Durham	395,641	44
San Antonio	383,912	45
Providence - Pawtucket - Woonsocket	380,419	46
Bridgeport - Stamford - Norwalk - Danbury	375,431	47
Middlesex - Somerset - Hunterdon	371,089	48
Fort Worth - Arlington	362,338	49
Nashville	348,530	50
Albany - Schenectady - Troy	340,164	51
Indianapolis	339,547	52
New Haven - Waterbury - Meriden	328,628	53
Rochester, N.Y	326,487	54
Jacksonville, Fla	309,802	55
Buffalo	309,002	56
Charlotte - Gastonia - Rock Hill	305,229	57
Worcester - Fitchburg - Leominster	284,605	58
Austin	282,055	59
Oklahoma City	274,308	60
Springfield, Mass	266,076	61
Oxnard - Ventura	261,233	62
Louisville	257,970	63
Salt Lake City - Ogden	255,197	64
Greensboro - Winston-Salem - High Point	254,541	65
Richmond - Petersburg	252,842	66
Atlantic City	251,179	67
Las Vegas	248,585	68
Dayton - Springfield	243,579	69
Syracuse	238,308	70
Scranton - Wilkes-Barre	225,445	71
Grand Rapids	225,239	72
Tacoma	224,789	73
Memphis	222,440	74
Portsmouth - Dover - Rochester	214,002	75
Knoxville	211,487	76
New Bedford - Fall River - Attleboro	208,589	77
Santa Barbara - Santa Maria - Lompoc	207,843	78
Akron	206,158	79
Omaha	204,222	80
Tucson	203,013	81
Fort Myers - Cape Coral	199,422	82
Salinas - Seaside - Monterey	197,771	83
Toledo	197,753	84
Sarasota	197,265	85
Fresno	196,214	86
Albuquerque	195,089	87
Allentown - Bethlehem - Easton	193,657	88
Birmingham	189,092	89
Wilmington, Del	184,209	90
Lake County, Ill	179,231	91
Tulsa	178,877	92
Lancaster	178,646	93
Harrisburg - Lebanon - Carlisle	176,332	94
Manchester - Nashua	175,625	95
Charleston, S.C	173,603	96
Madison	165,326	97
Greenville - Spartanburg	159,941	98
Santa Rosa - Petaluma	154,413	99
Portland, Me	153,569	100
Vallejo - Fairfield - Napa	150,391	101
Daytona Beach	149,900	102

Metro Area	Sales($000)	Rank
Melbourne - Titusville - Palm Bay	146,093	103
Stockton	143,181	104
Wichita	140,085	105
Spokane	139,708	106
Anchorage	139,020	107
Lansing - East Lansing	135,923	108
Des Moines	135,625	109
Bakersfield	135,386	110
Saginaw - Bay City - Midland	131,906	111
Gary - Hammond	131,626	112
Columbia, S.C	130,578	113
Fort Wayne	128,148	114
Reading	127,749	115
Little Rock - North Little Rock	125,265	116
York	123,470	117
Lexington-Fayette	122,061	118
Modesto	121,316	119
Trenton	119,826	120
Jersey City	119,224	121
Youngstown - Warren	117,157	122
Colorado Springs	115,613	123
Ann Arbor	115,103	124
Flint	114,186	125
Eugene - Springfield	108,717	126
Baton Rouge	108,688	127
New London - Norwich	108,037	128
El Paso	107,383	129
Davenport - Rock Island - Moline	106,814	130
Canton	106,573	131
Mobile	104,984	132
Utica - Rome	103,603	133
Orange County, N.Y	103,279	134
Santa Cruz	102,614	135
Appleton - Oshkosh - Neenah	102,184	136
Boulder - Longmont	101,433	137
Chattanooga	99,557	138
Aurora - Elgin	98,702	139
Lakeland - Winter Haven	97,691	140
Fort Pierce	95,066	141
Salem, Ore	93,654	142
Augusta	92,535	143
Jackson, Miss	90,685	144
Tallahassee	90,048	145
Binghamton	89,721	146
Poughkeepsie	88,307	147
Erie	87,663	148
Bradenton	86,178	149
Pensacola	86,144	150
Gainesville	85,113	151
Burlington, Vt	85,007	152
Pittsfield	83,554	153
Rockford	82,263	154
Shreveport	82,215	155
Peoria	80,989	156
Reno	80,584	157
Kalamazoo	80,452	158
Roanoke	79,365	159
Green Bay	77,279	160
Vancouver	76,665	161
Naples	76,470	162
Joliet	76,397	163
Panama City	75,414	164
Fort Walton Beach	75,121	165
Corpus Christi	74,663	166
Beaumont - Port Arthur	73,968	167
Evansville	73,840	168
Macon - Warner Robins	72,426	169
Niagara Falls	71,806	170
Springfield, Mo	71,437	171
Savannah	70,782	172
Lubbock	70,516	173
Springfield, Ill	68,956	174
Boise	67,683	175
Fort Collins - Loveland	67,631	176
Ocala	67,536	177
Visalia - Tulare - Porterville	66,019	178
Lincoln	65,844	179
Duluth	65,318	180
Champaign - Urbana - Rantoul	65,142	181
Johnson City - Kingsport - Bristol	64,945	182
South Bend - Mishawaka	63,308	183
Hamilton - Middletown	62,773	184
Amarillo	62,727	185
Cedar Rapids	61,376	186
Chico	60,412	187
Columbus, Ga	59,865	188
Racine	58,990	189
Medford	58,976	190
Yakima	58,680	191
Olympia	58,477	192
Lafayette, La	58,295	193
Montgomery	58,036	194
Bangor	55,805	195
Fayetteville, N.C	55,685	196
Galveston - Texas City	55,652	197
Huntsville	53,716	198
Asheville	53,672	199
Charleston, W.Va	53,377	200
Richland - Kennewick - Pasco	53,366	201
Fargo - Moorhead	52,689	202
Hickory - Morganton	52,370	203
Sioux Falls	52,253	204
Benton Harbor	51,731	205
Bellingham	51,641	206
McAllen - Edinburg - Mission	51,382	207
Bremerton	50,703	208
Lorain - Elyria	50,600	209
Bloomington - Normal	50,593	210
Billings	50,439	211
Glens Falls	49,996	212
Johnstown	49,966	213

Metro Area	Sales($000)	Rank
St. Cloud	49,566	214
Huntington - Ashland	49,493	215
Waco	47,969	216
Santa Fe	47,459	217
Janesville - Beloit	47,149	218
Eau Claire	46,984	219
Redding	46,206	220
State College	45,901	221
Muskegon	45,875	222
Wilmington, N.C	45,725	223
Killeen - Temple	45,513	224
Topeka	45,217	225
Tyler	44,557	226
Brownsville - Harlingen	44,523	227
La Crosse	43,858	228
Charlottesville	43,262	229
Rochester, Minn	41,573	230
Wichita Falls	41,344	231
Fort Smith	41,085	232
Lima	40,890	233
Lynchburg	40,868	234
Longview - Marshall	40,320	235
Beaver County, Pa	40,212	236
Lewiston - Auburn	39,943	237
Altoona	39,795	238
Monroe	39,722	239
Battle Creek	39,529	240
Waterloo - Cedar Falls	38,800	241
Biloxi - Gulfport	38,537	242
Pueblo	38,111	243
Athens	37,464	244
Elkhart - Goshen	37,460	245
Kenosha	37,398	246
Jackson, Mich	37,185	247
Merced	36,248	248
Decatur, Ill	36,133	249
Wausau	35,690	250
Rapid City	35,531	251
Clarksville - Hopkinsville	35,471	252
Provo - Orem	35,226	253
Iowa City	34,589	254
Lafayette - West Lafayette	34,359	255
Sioux City	34,076	256
Jamestown - Dunkirk	33,520	257
Houma - Thibodaux	33,456	258
Joplin	33,402	259
Lake Charles	33,395	260
Mansfield	32,373	261
Abilene	32,271	262
Brazoria	32,092	263
Anderson, S.C	31,301	264
Greeley	30,842	265
Elmira	30,805	266
Vineland - Millville - Bridgeton	29,978	267
Terre Haute	29,808	268
Williamsport	29,766	269
Sheboygan	29,730	270
Bloomington, Ind	29,521	271
Columbia, Mo	29,460	272
Dubuque	28,676	273
Dothan	28,579	274
Sharon	28,534	275
Muncie	28,315	276
Great Falls	28,043	277
Jacksonville, N.C	28,039	278
Yuba City	27,983	279
Cheyenne	27,569	280
Wheeling	27,304	281
Tuscaloosa	27,072	282
Bryan - College Station	26,965	283
Burlington, N.C	26,952	284
Las Cruces	26,863	285
Odessa	26,199	286
Yuma	26,154	287
Florence, S.C	26,068	288
Anderson, Ind	26,002	289
Kokomo	25,987	290
Bismarck	25,937	291
Parkersburg - Marietta	25,876	292
Texarkana	25,722	293
Hagerstown	25,377	294
Albany, Ga	25,280	295
Laredo	25,214	296
Alexandria, La	25,200	297
Cumberland	24,915	298
Danville, Va	24,559	299
Midland, Tex	24,394	300
Steubenville - Weirton	23,578	301
San Angelo	23,312	302
Kankakee	23,075	303
St. Joseph	21,739	304
Fayetteville - Springdale	21,690	305
Casper	21,305	306
Grand Forks	20,930	307
Lawrence, Kans	20,922	308
Anniston	20,905	309
Florence, Ala	20,725	310
Lawton	20,278	311
Sherman - Denison	19,278	312
Owensboro	19,010	313
Jackson, Tenn	16,703	314
Victoria	16,394	315
Pascagoula	15,362	316
Gadsden	14,920	317
Decatur, Ala	14,504	318
Pine Bluff	13,732	319
Enid	11,333	320
Total Above Areas	70,412,656	
Percent of U.S	85.6877	
United States Total	82,173,569	

24TH ANNUAL RAI

1990 RESTAURANT ACTIVITY INDEX

METRO RANKING

Metro Area	RAI	Rank
Honolulu	209	1
Raleigh - Durham	191	2
San Francisco	182	3
Santa Fe	161	4
Wichita Falls	160	5
Bloomington - Normal	156	6
Salinas - Seaside - Monterey	156	6
Fort Walton Beach	155	8
Anchorage	151	9
Anniston	151	9
Anaheim - Santa Ana	150	11
Orlando	149	12
Kalamazoo	144	13
La Crosse	144	13
Ann Arbor	143	15
Indianapolis	143	15
Lexington-Fayette	142	17
Nashville	141	18
Atlanta	139	19
Abilene	136	20
Atlantic City	136	20
Clarksville - Hopkinsville	135	22
San Jose	135	22
Albuquerque	134	24
Champaign - Urbana - Rantoul	134	24
Los Angeles - Long Beach	131	26
Montgomery	130	27
New York	130	27
Cheyenne	129	29
San Diego	129	29
Portland, Ore	128	31
Sarasota	128	31
Columbus, Ohio	127	33
Jacksonville, N C	127	33
Chicago	126	35
Boston - Lawrence - Salem - Lowell - Brockton	125	36
Knoxville	125	36
Lafayette - West Lafayette	124	38
Springfield, Ill	124	38
Washington	124	38
Wilmington, N C	124	38
Columbia, S C	123	42
Jackson, Miss	123	42
Grand Rapids	122	44
Jacksonville, Fla	122	44
Lansing - East Lansing	122	44
Seattle	122	44
State College	122	44
Detroit	120	49
Kenosha	119	50
Madison	119	50
Colorado Springs	118	52
Huntsville	118	52
West Palm Beach - Boca Raton - Delray Beach	118	52
Athens	117	55
Bloomington, Ind	117	55
Fort Wayne	117	55
Louisville	117	55
Fort Lauderdale - Hollywood - Pompano Beach	116	59
Minneapolis - St Paul	116	59
Dothan	115	61
Fort Myers - Cape Coral	115	61
Greensboro - Winston-Salem - High Point	115	61
Hartford - New Britain - Middletown - Bristol	115	61
Miami - Hialeah	115	61
Oxnard - Ventura	115	61
Cincinnati	114	67
Kokomo	114	67
Muskegon	114	67
Springfield, Mo	114	67
Terre Haute	114	67
Decatur, Ala	113	72
Jackson, Mich	113	72
Macon - Warner Robins	113	72
Savannah	113	72
Columbia, Mo	112	76
Decatur, Ill	112	76
Memphis	112	76
Panama City	112	76
St Louis	112	76
Wichita	112	76
Benton Harbor	111	82
Dallas	111	82
Medford	111	82
Milwaukee	111	82
Oakland	111	82
Saginaw - Bay City - Midland	111	82
Tuscaloosa	111	82
Green Bay	110	89
Lawrence, Kans	110	89
Melbourne - Titusville - Palm Bay	110	89
Asheville	109	92
Muncie	109	92
Oklahoma City	109	92
Birmingham	108	95
Evansville	108	95
Fayetteville, N C	108	95
Stockton	108	95
Tacoma	108	95
Biloxi - Gulfport	107	100
Charlotte - Gastonia - Rock Hill	107	100
Kansas City	107	100
Pittsfield	107	100
Sacramento	107	100
Santa Barbara - Santa Maria - Lompoc	107	100
Springfield, Mass	107	100
Tallahassee	107	100
Baltimore	106	108
Columbus, Ga	106	108
Dayton - Springfield	106	108
Denver	106	108
Lake County, Ill	106	108
Portland, Me	106	108
Worcester - Fitchburg - Leominster	106	108
Burlington, Vt	105	115
Elkhart - Goshen	105	115
Boulder - Longmont	104	117
Cedar Rapids	104	117
New London - Norwich	104	117
Norfolk - Virginia Beach - Newport News	104	117
Roanoke	104	117
Sioux Falls	104	117
Toledo	104	117
Topeka	104	117
Appleton - Oshkosh - Neenah	103	125
Augusta	103	125
Cleveland	103	125
Lincoln	103	125
Providence - Pawtucket - Woonsocket	103	125
South Bend - Mishawaka	103	125
Vallejo - Fairfield - Napa	103	125
Charleston, S C	102	132
Chattanooga	102	132
Lubbock	102	132
Omaha	102	132
Pensacola	102	132
Akron	101	137
Bismarck	101	137
Fargo - Moorhead	101	137
Fort Collins - Loveland	101	137
San Antonio	101	137
Tampa - St Petersburg - Clearwater	101	137
Eugene - Springfield	100	143
Peoria	100	143
Racine	100	143
Riverside - San Bernardino	100	143
Salem, Ore	100	143
Flint	99	148
Little Rock - North Little Rock	99	148
Amarillo	98	150
Bradenton	98	150
Davenport - Rock Island - Moline	98	150
Daytona Beach	98	150
Naples	98	150
Pittsburgh	98	150
Reading	98	150
Johnson City - Kingsport - Bristol	97	157
Las Cruces	97	157
Las Vegas	97	157
Rapid City	97	157
Rochester, Minn	97	157
St Joseph	97	157
Harrisburg - Lebanon - Carlisle	96	163
New Bedford - Fall River - Attleboro	96	163
Spokane	96	163
Tyler	96	163
Chico	95	167
Dubuque	95	167
Elmira	95	167
Gainesville	95	167
Lawton	95	167
Mobile	95	167
Owensboro	95	167
Santa Cruz	95	167
Tucson	95	167
Grand Forks	94	176
Iowa City	94	176
Richmond - Petersburg	94	176
Rockford	94	176
Syracuse	94	176
Eau Claire	93	181
Fresno	93	181
Greenville - Spartanburg	93	181
Hickory - Morganton	93	181
Waterloo - Cedar Falls	93	181
Wausau	93	181
Battle Creek	92	187
Gary - Hammond	92	187
Lima	92	187
Mansfield	92	187
New Orleans	92	187
Phoenix	92	187
Portsmouth - Dover - Rochester	92	187
Vancouver	92	187
Youngstown - Warren	92	187
Boise	91	196
Fort Pierce	91	196
Great Falls	91	196
Joliet	91	196
Shreveport	91	196
Trenton	91	196
Aurora - Elgin	90	202
Bergen - Passaic	90	202
Burlington, N C	90	202
Charleston, W Va	90	202
Erie	90	202
Joplin	90	202
Lancaster	90	202
Modesto	90	202
Ocala	90	202
St Cloud	90	202
Santa Rosa - Petaluma	90	202
Tulsa	90	202
Wilmington, Del	90	202
Austin	89	215
New Haven - Waterbury - Meriden	89	215
San Angelo	89	215
Bakersfield	88	218
Des Moines	88	218
Manchester - Nashua	88	218
Utica - Rome	88	218
Waco	88	218
Anderson, Ind	87	223
Binghamton	87	223
Bridgeport - Stamford - Norwalk - Danbury	87	223
Fort Worth - Arlington	87	223
Hamilton - Middletown	87	223
Lynchburg	87	223
Pascagoula	87	223
Albany - Schenectady - Troy	86	230
Buffalo	86	230
Charlottesville	86	230
Cumberland	86	230
Pueblo	86	230
Salt Lake City - Ogden	86	230
Scranton - Wilkes-Barre	86	230
Texarkana	86	230
York	86	230
Beaumont - Port Arthur	85	239
Canton	85	239
Enid	85	239
Huntington - Ashland	85	239
Kankakee	85	239
Monroe	85	239
Niagara Falls	85	239
Billings	84	246
Fort Smith	84	246
Houston	84	246
Olympia	84	246
Parkersburg - Marietta	83	250
Philadelphia	83	250
Reno	83	250
Lakeland - Winter Haven	82	253
Sheboygan	82	253
Gadsden	81	255
Glens Falls	81	255
Janesville - Beloit	81	255
Lorain - Elyria	81	255
Newark	81	255
Rochester, N Y	81	255
Sharon	81	255
Florence, Ala	80	262
Lafayette, La	80	262
Middlesex - Somerset - Hunterdon	80	262
Sioux City	80	262
Allentown - Bethlehem - Easton	79	266
Jackson, Tenn	79	266
Killeen - Temple	79	266
Longview - Marshall	79	266
Nassau - Suffolk	79	266
Wheeling	79	266
Bellingham	78	272
Duluth	78	272
Richland - Kennewick - Pasco	78	272
Bryan - College Station	77	275
Casper	77	275
El Paso	77	275
Monmouth - Ocean	76	278
Yakima	76	278
Corpus Christi	75	280
Anderson, S C	74	281
Beaver County, Pa	74	281
Florence, S C	74	281
Greeley	74	281
Albany, Ga	73	285
Bremerton	73	285
Pine Bluff	73	285
Yuma	73	285
Danville, Va	72	289
Brownsville - Harlingen	70	290
Poughkeepsie	70	290
Redding	70	290
Galveston - Texas City	69	293
Merced	69	293
Altoona	68	295
Fayetteville - Springdale	68	295
Hagerstown	68	295
Jersey City	68	295
Lewiston - Auburn	68	295
Provo - Orem	68	295
Orange County, N Y	67	301
Alexandria, La	66	302
Bangor	66	302
Laredo	66	302
Steubenville - Weirton	66	302
Williamsport	66	302
Johnstown	65	307
Sherman - Denison	64	308
Jamestown - Dunkirk	63	309
Odessa	63	309
Midland, Tex	62	311
Victoria	62	311
Baton Rouge	61	313
McAllen - Edinburg - Mission	59	314
Visalia - Tulare - Porterville	59	314
Lake Charles	57	316
Brazoria	56	317
Houma - Thibodaux	56	317
Yuba City	56	317
Vineland - Millville - Bridgeton	50	320
Total Above Areas	107	
United States Total	100	

24TH ANNUAL RGI

1990 RESTAURANT GROWTH INDEX

METRO RANKING

Metro Area	RGI	Rank
Las Vegas	425	1
Reno	328	2
Atlantic City	316	3
Honolulu	151	4
Orlando	149	5
Rochester, Minn	141	6
Middlesex - Somerset - Hunterdon	138	7
Minneapolis - St Paul	137	8
Washington	135	9
Tallahassee	133	10
Brazoria	132	11
San Jose	127	12
Ann Arbor	126	13
Houston	126	13
Newark	126	13
Dallas	124	16
Wilmington, Del	124	16
Manchester - Nashua	122	18
Trenton	122	18
Anchorage	121	20
Baltimore	120	21
Huntsville	120	21
Memphis	120	21
Miami - Hialeah	120	21
Philadelphia	120	21
Harrisburg - Lebanon - Carlisle	119	26
Bismarck	118	27
Chicago	118	27
Grand Rapids	118	27
Iowa City	118	27
Lancaster	118	27
Baton Rouge	117	32
Boston - Lawrence - Salem - Lowell - Brockton	117	32
Richland - Kennewick - Pasco	117	32
Bergen - Passaic	115	35
Kansas City	115	35
Milwaukee	115	35
Nashville	115	35
Phoenix	115	35
Anaheim - Santa Ana	114	40
Fort Worth - Arlington	113	41
Hartford - New Britain - Middletown - Bristol	112	42
Jersey City	112	42
Los Angeles - Long Beach	112	42
Montgomery	112	42
Oxnard - Ventura	112	42
San Diego	112	42
West Palm Beach - Boca Raton - Delray Beach	112	42
Beaumont - Port Arthur	111	49
Lafayette, La	111	49
Lansing - East Lansing	111	49
New York	111	49
Seattle	111	49
Binghamton	110	54
Jacksonville, Fla	110	54
Raleigh - Durham	110	54
Richmond - Petersburg	110	54
Atlanta	109	58
Augusta	109	58
Cincinnati	109	58
York	109	58
Madison	108	62
New Orleans	108	62
Omaha	108	62
Riverside - San Bernardino	108	62
St. Louis	108	62
Sheboygan	108	62
Sioux Falls	108	62
Aurora - Elgin	107	69
Charlottesville	107	69
Jackson, Miss	107	69
Joliet	107	69
Lake County, Ill	107	69
Lexington-Fayette	107	69
Lincoln	107	69
Oakland	107	69
Rochester, N.Y	107	69
Bremerton	106	78
Bridgeport - Stamford - Norwalk - Danbury	106	78
Charleston, S.C	106	78
Saginaw - Bay City - Midland	106	78
Columbus, Ohio	105	82
Denver	105	82
Detroit	105	82
Florence, S.C	105	82
Hagerstown	105	82
Jackson, Tenn	105	82
Lake Charles	105	82
Louisville	105	82
Pensacola	105	82
San Francisco	105	82
Appleton - Oshkosh - Neenah	104	92
Columbia, S.C	104	92
Decatur, Ill	104	92
Pascagoula	104	92
Portland, Ore	104	92
Salinas - Seaside - Monterey	104	92
Salt Lake City - Ogden	104	92
Vallejo - Fairfield - Napa	104	92
Birmingham	103	100
Galveston - Texas City	103	100
Kalamazoo	103	100
Charlotte - Gastonia - Rock Hill	102	103
Des Moines	102	103
Gainesville	102	103
Macon - Warner Robins	102	103
Peoria	102	103
Savannah	102	103
Tampa - St. Petersburg - Clearwater	102	103
Bakersfield	101	110
Beaver County, Pa	101	110
Burlington, Vt.	101	110
Cleveland	101	110
Grand Forks	101	110
Houma - Thibodaux	101	110
Indianapolis	101	110
Norfolk - Virginia Beach - Newport News	101	110
Green Bay	100	118
Knoxville	100	118
Lakeland - Winter Haven	100	118
Little Rock - North Little Rock	100	118
Nassau - Suffolk	100	118
Shreveport	100	118
Anniston	99	124
Cedar Rapids	99	124
Dayton - Springfield	99	124
New Haven - Waterbury - Meriden	99	124
New London - Norwich	99	124
Portsmouth - Dover - Rochester	99	124
Worcester - Fitchburg - Leominster	99	124
Alexandria, La	98	131
Fort Wayne	98	131
Hamilton - Middletown	98	131
Kenosha	98	131
Vineland - Millville - Bridgeton	98	131
Albany, Ga	97	136
El Paso	97	136
Lafayette - West Lafayette	97	136
Poughkeepsie	97	136
Rockford	97	136
Springfield, Mo	97	136
Allentown - Bethlehem - Easton	96	142
Asheville	96	142
Champaign - Urbana - Rantoul	96	142
Columbia, Mo	96	142
Erie	96	142
Lawrence, Kans	96	142
Mobile	96	142
Springfield, Ill	96	142
Austin	95	150
Bangor	95	150
Daytona Beach	95	150
Greenville - Spartanburg	95	150
Jackson, Mich	95	150
Pittsburgh	95	150
Racine	95	150
Sacramento	95	150
Waterloo - Cedar Falls	95	150
Fort Lauderdale - Hollywood - Pompano Beach	94	159
Greensboro - Winston-Salem - High Point	94	159
Santa Fe	94	159
Topeka	94	159
Vancouver	94	159
Albany - Schenectady - Troy	93	164
Battle Creek	93	164
Fresno	93	164
Johnson City - Kingsport - Bristol	93	164
Merced	93	164
Modesto	93	164
Springfield, Mass	93	164
Albuquerque	92	171
Bloomington - Normal	92	171
Fargo - Moorhead	92	171
Lynchburg	92	171
Monmouth - Ocean	92	171
Provo - Orem	92	171
Santa Rosa - Petaluma	92	171
Anderson, S.C	91	178
Bradenton	91	178
Evansville	91	178
Laredo	91	178
Muncie	91	178
Olympia	91	178
Akron	90	184
Anderson, Ind	90	184
Athens	90	184
Boise	90	184
Davenport - Rock Island - Moline	90	184
Decatur, Ala	90	184
Fayetteville, N.C	90	184
Greeley	90	184
Kankakee	90	184
Melbourne - Titusville - Palm Bay	90	184
Portland, Me	90	184
Roanoke	90	184
Stockton	90	184
Syracuse	90	184
Flint	89	198
La Crosse	89	198
Lorain - Elyria	89	198
Santa Barbara - Santa Maria - Lompoc	89	198
Tuscaloosa	89	198
Biloxi - Gulfport	88	203
Casper	88	203
Charleston, W.Va	88	203
Danville, Va	88	203
Reading	88	203
St. Joseph	88	203
Williamsport	88	203
Yuba City	88	203
Chattanooga	87	211
Parkersburg - Marietta	87	211
San Antonio	87	211
Spokane	87	211
Tacoma	87	211
Tucson	87	211
Wichita	87	211
Gary - Hammond	86	218
Lewiston - Auburn	86	218
Naples	86	218
Providence - Pawtucket - Woonsocket	86	218
Toledo	86	218
Yakima	86	218
Cheyenne	85	224
Colorado Springs	85	224
Dothan	85	224
Fort Myers - Cape Coral	85	224
Pine Bluff	85	224
Scranton - Wilkes-Barre	85	224
Steubenville - Weirton	85	224
Kokomo	84	231
South Bend - Mishawaka	84	231
Elkhart - Goshen	83	233
Owensboro	83	233
Wausau	83	233
Fayetteville - Springdale	82	236
Hickory - Morganton	82	236
Orange County, N.Y	82	236
St. Cloud	82	236
Tyler	82	236
Waco	82	236
Columbus, Ga	81	242
Elmira	81	242
Fort Walton Beach	81	242
Lubbock	81	242
Muskegon	81	242
New Bedford - Fall River - Attleboro	81	242
Rapid City	81	242
Corpus Christi	80	249
Fort Pierce	80	249
Gadsden	80	249
Terre Haute	80	249
Texarkana	80	249
Tulsa	80	249
Wheeling	80	249
Buffalo	79	256
Eau Claire	79	256
Janesville - Beloit	79	256
Mansfield	79	256
Altoona	78	260
Boulder - Longmont	78	260
Burlington, N.C	78	260
Duluth	78	260
Florence, Ala	78	260
Fort Collins - Loveland	78	260
Huntington - Ashland	78	260
Visalia - Tulare - Porterville	78	260
Youngstown - Warren	78	260
Bloomington, Ind	77	269
Canton	76	270
McAllen - Edinburg - Mission	76	270
Midland, Tex	76	270
Pittsfield	76	270
Sioux City	76	270
Johnstown	75	275
Ocala	75	275
Santa Cruz	75	275
Sharon	75	275
State College	75	275
Utica - Rome	75	275
Clarksville - Hopkinsville	74	281
Dubuque	74	281
Eugene - Springfield	74	281
Monroe	74	281
San Angelo	74	281
Wichita Falls	74	281
Benton Harbor	73	287
Billings	73	287
Fort Smith	73	287
Sarasota	73	287
Yuma	73	287
Amarillo	72	292
Brownsville - Harlingen	72	292
Cumberland	72	292
Jamestown - Dunkirk	72	292
Pueblo	72	292
Sherman - Denison	71	297
Chico	70	298
Killeen - Temple	70	298
Las Cruces	70	298
Niagara Falls	70	298
Bellingham	69	302
Bryan - College Station	69	302
Great Falls	69	302
Lawton	68	305
Lima	68	305
Oklahoma City	68	305
Panama City	67	308
Redding	67	308
Abilene	66	310
Jacksonville, N.C	66	310
Longview - Marshall	65	312
Victoria	65	312
Wilmington, N.C	65	312
Odessa	64	315
Salem, Ore	63	316
Medford	61	317
Joplin	59	318
Glens Falls	58	319
Enid	52	320
Total Above Areas	107	
United States Total	100	

24TH ANNUAL RGI

1990
POPULATION PER UNIT

METRO RANKING

Metro Area	Pop. Per Unit	Rank
Laredo	1,343	1
McAllen - Edinburg - Mission	1,328	2
Provo - Orem	1,148	3
Merced	1,136	4
Bremerton	1,116	5
El Paso	1,082	6
Riverside - San Bernardino	1,081	7
Brownsville - Harlingen	1,060	8
Jacksonville, N C	1,059	9
Hamilton - Middletown	1,054	10
Houma - Thibodaux	1,053	11
Brazoria	1,042	12
Anniston	1,028	13
Beaver County, Pa	1,028	13
Lake Charles	1,019	15
Alexandria, La	1,016	16
Joliet	1,008	17
Greeley	995	18
Yuba City	980	19
Modesto	976	20
Baton Rouge	973	21
Yuma	972	22
Montgomery	966	23
Saginaw - Bay City - Midland	965	24
Jersey City	963	25
Bakersfield	960	26
Fayetteville, N C	958	27
Lakeland - Winter Haven	958	27
Pascagoula	951	29
Johnstown	947	30
Beaumont - Port Arthur	945	31
Johnson City - Kingsport - Bristol	945	31
Shreveport	943	33
Killeen - Temple	942	34
Gadsden	941	35
Vancouver	939	36
Las Vegas	936	37
Vallejo - Fairfield - Napa	936	37
Visalia - Tulare - Porterville	935	39
Tacoma	934	40
Augusta	930	41
Decatur, Ala	928	42
Ocala	928	42
Memphis	926	44
Birmingham	924	45
Tallahassee	923	46
Vineland - Millville - Bridgeton	923	46
Bradenton	921	48
Stockton	920	49
Mobile	918	50
Yakima	918	50
Sheboygan	914	52
Houston	913	53
St Cloud	911	54
Grand Rapids	907	55
Huntington - Ashland	906	56
Lancaster	906	56
Las Cruces	906	56
Philadelphia	906	56
Clarksville - Hopkinsville	903	60
Pine Bluff	899	61
Wilmington, Del	899	61
Anderson, Ind	897	63
Charleston, S C	895	64
Pensacola	894	65
Salt Lake City - Ogden	894	65
Texarkana	892	67
Hagerstown	891	68
York	891	68
Jackson, Mich	890	70
Fresno	889	71
Tuscaloosa	887	72
Lafayette, La	885	73
Kankakee	881	74
Minneapolis - St Paul	880	75
Baltimore	878	76
Jackson, Tenn	878	76
Jackson, Miss	877	78
Florence, S C	876	79
Anderson, S C	875	80
Lorain - Elyria	875	80
Lansing - East Lansing	874	82
Oxnard - Ventura	874	82
Lawrence, Kans	873	84
Fort Pierce	872	85
Columbus, Ga	870	86
Olympia	870	86
Aurora - Elgin	869	88
Detroit	865	89
Iowa City	865	89
Muncie	864	91
Fort Worth - Arlington	859	92
Middlesex - Somerset - Hunterdon	857	93
Steubenville - Weirton	856	94
Tyler	849	95
Bryan - College Station	848	96
Parkersburg - Marietta	848	96
Wheeling	844	98
Rochester, Minn	841	99
Binghamton	839	100
Louisville	839	100
Flint	836	102
Bangor	833	103
Athens	832	104
Richland - Kennewick - Pasco	830	105
Dayton - Springfield	829	106
Macon - Warner Robins	828	107
Kenosha	827	108
Newark	827	108
Appleton - Oshkosh - Neenah	825	110
Tucson	825	110
Dothan	824	112
Galveston - Texas City	824	112
Lewiston - Auburn	822	114
Danville, Va	821	115
San Angelo	821	115
Florence, Ala	819	117
Phoenix	819	117
Miami - Hialeah	818	119
Huntsville	817	120
Chico	816	121
Bismarck	814	122
Tampa - St Petersburg - Clearwater	813	123
Milwaukee	812	124
New Orleans	811	125
Harrisburg - Lebanon - Carlisle	809	126
Worcester - Fitchburg - Leominster	809	126
Columbia, Mo	808	128
Norfolk - Virginia Beach - Newport News	807	129
Greenville - Spartanburg	806	130
Los Angeles - Long Beach	805	131
San Diego	805	131
Allentown - Bethlehem - Easton	804	133
Biloxi - Gulfport	803	134
Albany, Ga	802	135
Little Rock - North Little Rock	801	136
New York	801	136
Springfield, Mass	801	136
Gary - Hammond	798	139
Kansas City	797	140
Melbourne - Titusville - Palm Bay	797	140
Elmira	795	142
Lafayette - West Lafayette	795	142
Lake County, Ill	795	142
Racine	795	142
Cincinnati	793	146
Sherman - Denison	792	147
Chicago	791	148
Columbus, Ohio	791	148
Pittsburgh	791	148
Cleveland	790	151
Rochester, N Y	790	151
Akron	789	153
Lawton	789	153
Williamsport	789	153
Nashville	788	156
Waco	788	156
St Louis	787	158
Erie	784	159
Wausau	783	160
Lynchburg	782	161
Decatur, Ill	780	162
Columbia, S C	779	163
San Antonio	779	163
Chattanooga	777	165
Sharon	777	165
Youngstown - Warren	777	165
Reno	776	168
Waterloo - Cedar Falls	773	169
Rockford	772	170
Ann Arbor	770	171
Green Bay	769	172
Jacksonville, Fla	769	172
Omaha	769	172
State College	769	172
Muskegon	767	176
Savannah	767	176
Altoona	766	178
Charlotte - Gastonia - Rock Hill	766	178
Owensboro	765	180
Richmond - Petersburg	765	180
New Bedford - Fall River - Attleboro	764	182
Charleston, W Va	760	183
Washington	759	184
Manchester - Nashua	758	185
Spokane	758	185
Oakland	755	187
Orlando	755	187
Monmouth - Ocean	754	189
Orange County, N Y	753	190
St Joseph	753	190
Terre Haute	753	190
Abilene	752	193
Dallas	752	193
Knoxville	751	195
Charlottesville	749	196
Daytona Beach	749	196
Fayetteville - Springdale	749	196
Gainesville	749	196
Janesville - Beloit	749	196
Lincoln	748	201
Grand Forks	747	202
Bergen - Passaic	746	203
Springfield, Mo	746	203
Corpus Christi	743	205
Elkhart - Goshen	743	205
Greensboro - Winston-Salem - High Point	743	205
Toledo	743	205
West Palm Beach - Boca Raton - Delray Beach	743	205
Trenton	741	210
Salem, Ore	740	211
Canton	738	212
Davenport - Rock Island - Moline	737	213
San Jose	737	213
Des Moines	735	215
Eau Claire	735	215
Lexington-Fayette	735	215
Monroe	735	215
Fargo - Moorhead	732	219
Peoria	732	219
Reading	732	219
Santa Rosa - Petaluma	732	219
Cedar Rapids	730	223
Scranton - Wilkes-Barre	730	223
Utica - Rome	729	225
Mansfield	728	226
New Haven - Waterbury - Meriden	728	226
Pueblo	728	226
Victoria	728	226
Kalamazoo	727	230
Cheyenne	726	231
Fort Wayne	726	231
Indianapolis	726	231
Sioux City	723	234
Hartford - New Britain - Middletown - Bristol	722	235
Battle Creek	720	236
Evansville	720	236
Sacramento	720	236
Salinas - Seaside - Monterey	720	236
Portsmouth - Dover - Rochester	719	240
Colorado Springs	718	241
Fort Smith	718	241
Portland, Ore	718	241
New London - Norwich	714	244
Providence - Pawtucket - Woonsocket	713	245
Nassau - Suffolk	712	246
Champaign - Urbana - Rantoul	711	247
Jamestown - Dunkirk	711	247
Boston - Lawrence - Salem - Lowell - Brockton	710	249
Atlanta	706	250
Duluth	706	250
Fort Collins - Loveland	704	252
Springfield, Ill	703	253
Benton Harbor	702	254
Fort Myers - Cape Coral	702	254
Midland, Tex	702	254
Burlington, N C	699	257
Denver	699	257
Joplin	699	257
Sioux Falls	699	257
Anaheim - Santa Ana	697	261
Boise	696	262
Asheville	695	263
Madison	695	263
Albany - Schenectady - Troy	694	265
Bloomington, Ind	694	265
Cumberland	694	265
South Bend - Mishawaka	694	265
Austin	693	269
Tulsa	693	269
Syracuse	691	271
Lubbock	690	272
Bridgeport - Stamford - Norwalk - Danbury	689	273
Raleigh - Durham	688	274
Albuquerque	685	275
Poughkeepsie	685	275
Seattle	679	277
Kokomo	678	278
Wichita Falls	678	278
Naples	670	280
Eugene - Springfield	669	281
Dubuque	668	282
Longview - Marshall	666	283
Bloomington - Normal	664	284
Buffalo	664	284
Fort Lauderdale - Hollywood - Pompano Beach	664	284
Medford	664	284
Redding	662	288
Topeka	661	289
Honolulu	658	290
Hickory - Morganton	657	291
Roanoke	655	292
Anchorage	650	293
Bellingham	648	294
Odessa	648	294
Santa Barbara - Santa Maria - Lompoc	646	296
Santa Fe	638	297
Fort Walton Beach	628	298
Lima	628	298
La Crosse	627	300
Wichita	622	301
Burlington, Vt	619	302
Sarasota	615	303
Great Falls	605	304
Oklahoma City	604	305
Niagara Falls	603	306
Casper	602	307
Amarillo	599	308
Rapid City	593	309
Santa Cruz	592	310
Boulder - Longmont	578	311
Portland, Me	572	312
Pittsfield	556	313
Billings	554	314
Enid	541	315
Panama City	538	316
Wilmington, N C	526	317
San Francisco	467	318
Glens Falls	462	319
Atlantic City	416	320
Total Above Areas	784	
United States Total	789	

24TH ANNUAL RGI

1990
PER CAPITA EATING PLACE SALES

Metro Area	Per Capita Sales	Rank
Honolulu	1,608	1
Anchorage	1,555	2
San Francisco	1,415	3
Raleigh - Durham	1,287	4
Atlantic City	1,230	5
Portland, Me	1,097	6
Anaheim - Santa Ana	1,084	7
Panama City	1,081	8
Orlando	1,079	9
Sarasota	1,034	10
Wilmington, N C	1,022	11
Seattle	992	12
Boston - Lawrence - Salem - Lowell - Brockton	991	13
Burlington, Vt	964	14
Portsmouth - Dover - Rochester	960	15
Fort Walton Beach	947	16
Pittsfield	923	17
Fort Lauderdale - Hollywood - Pompano Beach	917	18
Lexington-Fayette	911	19
Fort Myers - Cape Coral	906	20
Naples	900	21
Atlanta	899	22
Santa Barbara - Santa Maria - Lompoc	896	23
Washington	895	24
San Jose	893	25
West Palm Beach - Boca Raton - Delray Beach	890	26
Manchester - Nashua	884	27
Portland, Ore	866	28
Santa Fe	865	29
Wichita Falls	865	29
Dallas	859	31
Boulder - Longmont	856	32
Los Angeles - Long Beach	853	33
Amarillo	852	34
Salinas - Seaside - Monterey	848	35
Santa Cruz	834	36
Billings	833	37
Albuquerque	832	38
Asheville	828	39
Ann Arbor	825	40
Austin	823	41
Bloomington - Normal	821	42
New Orleans	821	42
La Crosse	819	44
Hartford - New Britain - Middletown - Bristol	815	45
San Diego	811	46
Jacksonville, Fla	805	47
Cincinnati	804	48
Lubbock	803	49
Rapid City	803	49
Roanoke	803	49
Columbia, S C	801	52
Denver	799	53
Nashville	799	53
Madison	798	55
New Bedford - Fall River - Attleboro	795	56
Spokane	794	57
Champaign - Urbana - Rantoul	793	58
Oakland	790	59
Bridgeport - Stamford - Norwalk - Danbury	787	60
Indianapolis	786	61
Wichita	785	62
Cedar Rapids	778	63
Sioux Falls	778	63
Daytona Beach	774	65
Minneapolis - St. Paul	774	65
Chicago	771	67
Savannah	771	67
Glens Falls	769	69
Springfield, Ill	767	70
Iowa City	766	71
Lafayette, La	764	72
Monroe	764	72
Gainesville	763	74
Medford	763	74
New London - Norwich	763	74
Oklahoma City	761	77
Sacramento	761	77
Des Moines	755	79
Topeka	755	79
Springfield, Mass	754	81
Bergen - Passaic	750	82
Oxnard - Ventura	750	82
Miami - Hialeah	748	84
Huntsville	744	85
Tyler	744	85
Kansas City	743	87
Charlottesville	742	88
Knoxville	742	88
Louisville	741	90
San Antonio	741	90
Bradenton	740	92
Phoenix	740	92
Las Vegas	739	94
St. Louis	739	94
Springfield, Mo	736	96
Tampa - St. Petersburg - Clearwater	736	96
Nassau - Suffolk	735	98
Eugene - Springfield	732	99
Providence - Pawtucket - Woonsocket	732	99
Columbus, Ohio	731	101
Kalamazoo	731	101
Dothan	729	103
Rochester, Minn	728	104
Syracuse	728	104
Melbourne - Titusville - Palm Bay	727	106
New Haven - Waterbury - Meriden	724	107
Santa Rosa - Petaluma	724	107
Green Bay	723	109
State College	721	110
Worcester - Fitchburg - Leominster	720	111
Bellingham	717	112
Milwaukee	717	112
Dubuque	714	114
Greensboro - Winston-Salem - High Point	714	114
Fargo - Moorhead	712	116
Omaha	712	116
Richmond - Petersburg	708	118
Albany - Schenectady - Troy	707	119
Norfolk - Virginia Beach - Newport News	707	119
Charleston, S C	706	121
Tulsa	704	122
Tallahassee	703	123
New York	702	124
Charlotte - Gastonia - Rock Hill	698	125
Kokomo	696	126
Bloomington, Ind	695	127
Trenton	695	127
Cheyenne	692	129
Abilene	689	130
Baltimore	685	131
Davenport - Rock Island - Moline	684	132
Fort Worth - Arlington	684	132
Evansville	683	134
Lawrence, Kans	683	134
Augusta	681	136
Boise	681	136
Fort Smith	681	136
Fort Collins - Loveland	680	139
Fort Pierce	680	139
Toledo	680	139
Detroit	679	142
Macon - Warner Robins	679	142
Reno	677	144
Fort Wayne	676	145
Lafayette - West Lafayette	676	145
Tacoma	676	145
Charleston, W Va	675	148
Great Falls	675	148
Greenville - Spartanburg	674	150
Buffalo	672	151
Burlington, N C	671	152
Cleveland	669	153
Lancaster	667	154
Dayton - Springfield	666	155
Rochester, N Y	666	155
Lake County, Ill	665	157
Bangor	663	158
Lincoln	662	159
Montgomery	662	159
Shreveport	662	159
Lewiston - Auburn	660	162
Reading	659	163
South Bend - Mishawaka	659	163
Little Rock - North Little Rock	658	165
Middlesex - Somerset - Hunterdon	658	165
St. Joseph	658	165
Decatur, Ill	657	168
Benton Harbor	654	169
Biloxi - Gulfport	653	170
Columbus, Ga	653	170
Lynchburg	653	170
Columbia, Mo	652	173
Monmouth - Ocean	652	173
Pittsburgh	652	173
Casper	651	176
Galveston - Texas City	651	176
Wilmington, Del	649	178
Akron	645	179
Waco	645	179
Bismarck	644	181
Houston	642	182
Newark	640	183
Olympia	640	183
Richland - Kennewick - Pasco	639	185
Salem, Ore	639	185
Hickory - Morganton	636	187
Sioux City	636	187
Longview - Marshall	633	189
Appleton - Oshkosh - Neenah	632	190
Lansing - East Lansing	632	190
Athens	631	192
Vallejo - Fairfield - Napa	630	193
Birmingham	629	194
Colorado Springs	628	195
Chattanooga	627	196
Tucson	627	196
Fresno	626	198
Pensacola	626	198
Binghamton	624	200
Eau Claire	624	200
Erie	624	200
Ocala	624	200
Owensboro	624	200
Jackson, Miss	623	205
Janesville - Beloit	622	206
Poughkeepsie	619	207
Chico	618	208
Joplin	617	209
Racine	617	209
Stockton	616	211
Grand Forks	614	212
Elkhart - Goshen	613	213
Muncie	612	214
Lima	611	215
Rockford	611	215
Salt Lake City - Ogden	611	215
Orange County, N Y	607	218
Harrisburg - Lebanon - Carlisle	606	219
Philadelphia	606	219
Scranton - Wilkes-Barre	606	219
Anniston	605	222
Saginaw - Bay City - Midland	605	222
Grand Rapids	603	224
Utica - Rome	602	225
Albany, Ga	600	226
Tuscaloosa	600	226
Niagara Falls	599	228
San Angelo	599	228
Altoona	598	230
Memphis	598	230
Modesto	598	230
Corpus Christi	596	233
Decatur, Ala	594	234
Elmira	594	234
Mobile	594	234
Pueblo	594	234
Battle Creek	593	238
Flint	593	238
Mansfield	593	238
Peoria	593	238
Riverside - San Bernardino	592	242
Terre Haute	590	243
Allentown - Bethlehem - Easton	589	244
Muskegon	586	245
Midland, Tex	580	246
Redding	578	247
Baton Rouge	576	248
Enid	575	249
Aurora - Elgin	573	250
Beaumont - Port Arthur	573	250
Waterloo - Cedar Falls	573	250
Florence, S C	571	253
Canton	570	254
Vancouver	570	254
Odessa	567	256
Wausau	566	257
Victoria	563	258
York	562	259
Bryan - College Station	560	260
Yakima	556	261
Parkersburg - Marietta	555	262
Bakersfield	554	263
Cumberland	553	264
Fayetteville - Springdale	551	265
Wheeling	550	266
Fayetteville, N C	548	267
Youngstown - Warren	548	267
Texarkana	545	269
Jackson, Tenn	544	270
Lake Charles	542	271
Lakeland - Winter Haven	542	271
Anderson, S C	538	273
Florence, Ala	532	274
Kenosha	532	274
Clarksville - Hopkinsville	531	276
Johnson City - Kingsport - Bristol	527	277
Alexandria, La	525	278
Sheboygan	524	279
Gary - Hammond	522	280
Sherman - Denison	518	281
Anderson, Ind	516	282
Duluth	516	282
Danville, Va	515	284
Lawton	515	284
Kankakee	508	286
Jackson, Mich	504	287
Gadsden	503	288
Huntington - Ashland	503	288
Jacksonville, N C	502	290
Houma - Thibodaux	501	291
Hamilton - Middletown	493	292
Williamsport	489	293
St. Cloud	483	294
Laredo	475	295
Bremerton	470	296
Pine Bluff	468	297
Hagerstown	466	298
Sharon	463	299
Jamestown - Dunkirk	457	300
El Paso	451	301
Killeen - Temple	450	302
Greeley	447	303
Pascagoula	447	303
Yuma	444	305
Brownsville - Harlingen	432	306
Lorain - Elyria	431	307
Jersey City	426	308
Yuba City	426	308
Beaver County, Pa	425	310
Brazoria	425	310
Las Cruces	419	312
Joliet	410	313
Johnstown	408	314
Vineland - Millville - Bridgeton	406	315
Visalia - Tulare - Porterville	393	316
Steubenville - Weirton	385	317
Merced	378	318
Provo - Orem	335	319
McAllen - Edinburg - Mission	334	320
Total Above Areas	741	
United States Total	680	

24TH ANNUAL RGI

1990
PER CAPITA FAST FOOD SALES

METRO RANKING

Metro Area	Per Capita Sales	Rank
Raleigh - Durham	610	1
Honolulu	571	2
Wilmington, N C	535	3
Anchorage	496	4
Lexington-Fayette	452	5
Huntsville	451	6
Dothan	442	7
Asheville	433	8
Decatur, Ala	416	9
Indianapolis	416	9
Atlanta	413	11
Anaheim - Santa Ana	411	12
Jacksonville, Fla	403	13
Louisville	403	13
Charleston, W Va	402	15
Montgomery	402	15
Wichita Falls	399	17
Panama City	396	18
Portland, Me	394	19
Amarillo	393	20
Atlantic City	392	21
Topeka	392	21
Savannah	389	23
Biloxi - Gulfport	384	24
Santa Fe	380	25
Nashville	379	26
Wichita	379	26
Columbia, S C	376	28
Lubbock	370	29
Anniston	367	30
Fort Smith	365	31
Columbus, Ohio	364	32
Tuscaloosa	364	32
Lafayette, La	363	34
Orlando	363	34
Charlotte - Gastonia - Rock Hill	362	36
Kokomo	362	36
Monroe	362	36
Austin	361	39
Bloomington, Ind	361	39
Greenville - Spartanburg	359	41
San Francisco	359	41
Evansville	356	43
Kansas City	355	44
Lawrence, Kans	355	44
Augusta	354	46
Owensboro	354	46
Fargo - Moorhead	352	48
San Antonio	352	48
Burlington, N C	351	50
Lafayette - West Lafayette	351	50
Roanoke	351	50
Chattanooga	350	53
Oklahoma City	350	53
St Louis	350	53
Albuquerque	349	56
Dayton - Springfield	349	56
Springfield, Mo	349	56
Fort Walton Beach	347	59
Birmingham	344	60
Dallas	344	60
Ann Arbor	343	62
Cedar Rapids	343	62
Macon - Warner Robins	343	62
South Bend - Mishawaka	343	62
Spokane	343	62
Tyler	343	62
Shreveport	342	68
Pensacola	341	69
San Jose	341	69
Seattle	341	69
Cincinnati	340	72
Knoxville	339	73
Iowa City	338	74
Tulsa	338	74
Bloomington - Normal	335	76
Little Rock - North Little Rock	334	77
Hickory - Morganton	333	78
New Orleans	333	78
Parkersburg - Marietta	332	80
Norfolk - Virginia Beach - Newport News	331	81
Columbus, Ga	330	82
Naples	330	82
Greensboro - Winston-Salem - High Point	329	84
Sacramento	329	84
Billings	328	86
Wheeling	328	86
Rapid City	327	88
Richmond - Petersburg	327	88
Johnson City - Kingsport - Bristol	326	90
Charlottesville	324	91
Champaign - Urbana - Rantoul	323	92
Florence, Ala	322	93
Portland, Ore	322	93
Fort Worth - Arlington	320	95
Athens	319	96
Elkhart - Goshen	319	96
Abilene	318	98
Bismarck	318	98
Mobile	318	98
Muncie	318	98
Santa Cruz	317	102
Daytona Beach	316	103
Oxnard - Ventura	316	103
Sioux Falls	316	103
Dubuque	315	106
Corpus Christi	314	107
Jackson, Miss	314	107
Omaha	314	107
San Diego	314	107
Salt Lake City - Ogden	313	111
Springfield, Ill	313	111
Davenport - Rock Island - Moline	312	113
Des Moines	312	113
St Joseph	312	113
La Crosse	311	116
Columbia, Mo	310	117
Boulder - Longmont	307	118
Los Angeles - Long Beach	307	118
Oakland	307	118
Terre Haute	307	118
Las Vegas	306	122
Gadsden	305	123
New Bedford - Fall River - Attleboro	305	123
Kalamazoo	304	125
Washington	304	125
Albany, Ga	303	127
Boise	303	127
Grand Forks	303	127
Madison	303	127
Lincoln	302	131
Medford	302	131
Galveston - Texas City	300	133
Huntington - Ashland	299	134
Fayetteville - Springdale	298	135
Phoenix	298	135
Fresno	297	137
Stockton	297	137
Waco	297	137
Santa Barbara - Santa Maria - Lompoc	295	140
Joplin	293	141
Longview - Marshall	292	142
Vallejo - Fairfield - Napa	292	142
Fort Wayne	291	144
Beaumont - Port Arthur	290	145
Eugene - Springfield	290	145
Lima	290	145
Manchester - Nashua	290	145
Memphis	290	145
Charleston, S C	289	150
Reno	289	150
Baton Rouge	288	152
Bakersfield	287	153
Fayetteville, N C	287	153
Toledo	287	153
Enid	286	156
Akron	285	157
Baltimore	285	157
Lynchburg	285	157
Cheyenne	284	160
Riverside - San Bernardino	284	160
Cleveland	283	162
Lansing - East Lansing	283	162
Minneapolis - St Paul	283	162
Florence, S C	282	165
Flint	281	166
Jackson, Tenn	281	166
Mansfield	281	166
Portsmouth - Dover - Rochester	281	166
Salinas - Seaside - Monterey	281	166
Sioux City	281	166
Detroit	280	172
Gainesville	280	172
Fort Lauderdale - Hollywood - Pompano Beach	278	174
Melbourne - Titusville - Palm Bay	277	175
Milwaukee	277	175
Clarksville - Hopkinsville	276	177
Peoria	276	177
San Angelo	276	177
Tampa - St Petersburg - Clearwater	276	177
Chicago	275	181
Colorado Springs	275	181
Denver	274	183
Green Bay	274	183
Canton	273	185
Benton Harbor	272	186
Bradenton	271	187
Tucson	269	188
Anderson, Ind	268	189
Buffalo	268	189
Casper	268	189
Decatur, Ill	268	189
Rochester, Minn	268	189
Midland, Tex	267	194
Bellingham	266	195
Great Falls	266	195
Wilmington, Del	266	195
Anderson, S C	265	198
Houston	264	199
Lakeland - Winter Haven	264	199
Boston - Lawrence - Salem - Lowell - Brockton	263	201
Jacksonville, N C	263	201
New London - Norwich	263	201
Pascagoula	263	201
State College	262	205
Burlington, Vt	261	206
Odessa	261	206
Pittsfield	261	206
Tacoma	260	209
Victoria	260	209
Santa Rosa - Petaluma	259	211
Bryan - College Station	258	212
Gary - Hammond	258	212
Rochester, N Y	258	212
Tallahassee	258	212
Fort Myers - Cape Coral	257	216
Lake Charles	257	216
Lawton	257	216
Harrisburg - Lebanon - Carlisle	253	219
Hartford - New Britain - Middletown - Bristol	253	219
Pine Bluff	253	219
Salem, Ore	253	219
Sarasota	253	219
Waterloo - Cedar Falls	253	219
Springfield, Mass	252	225
Texarkana	252	225
Youngstown - Warren	252	225
Appleton - Oshkosh - Neenah	251	228
Alexandria, La	249	229
Fort Pierce	249	229
Rockford	249	229
West Palm Beach - Boca Raton - Delray Beach	249	229
Syracuse	248	233
Battle Creek	247	234
Providence - Pawtucket - Woonsocket	247	234
Lake County, Ill	246	236
Fort Collins - Loveland	244	237
Muskegon	244	237
Saginaw - Bay City - Midland	243	239
Miami - Hialeah	241	240
Scranton - Wilkes-Barre	240	241
Worcester - Fitchburg - Leominster	240	241
Pittsburgh	239	243
Sherman - Denison	239	243
Bangor	238	245
Houma - Thibodaux	238	245
Eau Claire	237	247
Lewiston - Auburn	237	247
Olympia	237	247
Richland - Kennewick - Pasco	237	247
Janesville - Beloit	236	251
Chico	235	252
Grand Rapids	235	252
Aurora - Elgin	234	254
Cumberland	234	254
Hamilton - Middletown	234	254
New Haven - Waterbury - Meriden	234	254
Racine	234	254
Albany - Schenectady - Troy	230	259
Reading	230	259
Ocala	229	261
Modesto	227	262
Erie	226	263
Danville, Va	225	264
Redding	220	265
Laredo	219	266
Altoona	217	267
Trenton	217	267
York	217	267
Wausau	215	270
Glens Falls	214	271
Pueblo	213	272
El Paso	212	273
Vancouver	211	274
Jackson, Mich	210	275
Middlesex - Somerset - Hunterdon	210	275
Bridgeport - Stamford - Norwalk - Danbury	209	277
Lancaster	209	277
Allentown - Bethlehem - Easton	207	279
Kankakee	207	279
Killeen - Temple	207	279
Bergen - Passaic	206	282
Yakima	206	282
Lorain - Elyria	204	284
Kenosha	202	285
Brownsville - Harlingen	199	286
Sheboygan	199	286
Philadelphia	197	288
Brazoria	196	289
Hagerstown	196	289
Newark	193	291
Duluth	190	292
Nassau - Suffolk	187	293
Monmouth - Ocean	185	294
Las Cruces	184	295
Steubenville - Weirton	182	296
St Cloud	178	297
Williamsport	178	297
Jamestown - Dunkirk	177	299
Yuma	176	300
Binghamton	174	301
Bremerton	174	301
Poughkeepsie	172	303
Provo - Orem	172	303
Orange County, N Y	169	305
Sharon	168	306
Utica - Rome	168	306
Joliet	167	308
Niagara Falls	166	309
Elmira	165	310
Yuba City	162	311
Greeley	160	312
New York	158	313
Beaver County, Pa	154	314
McAllen - Edinburg - Mission	154	314
Jersey City	151	316
Visalia - Tulare - Porterville	149	317
Johnstown	148	318
Merced	144	319
Vineland - Millville - Bridgeton	127	320
Total Above Areas	288	
United States Total	274	

24TH ANNUAL RGI

1990
PER CAPITA RESTAURANT SALES

METRO RANKING

Metro Area	Per Capita Sales	Rank
San Francisco	858	1
Atlantic City	778	2
Honolulu	760	3
Sarasota	698	4
Portland, Me	626	5
Orlando	620	6
Anchorage	613	7
Burlington, Vt	613	7
Pittsfield	601	9
Portsmouth - Dover - Rochester	600	10
Panama City	584	11
West Palm Beach - Boca Raton - Delray Beach	580	12
Fort Myers - Cape Coral	578	13
Boston - Lawrence - Salem - Lowell - Brockton	576	14
Anaheim - Santa Ana	566	15
Fort Lauderdale - Hollywood - Pompano Beach	566	15
Santa Barbara - Santa Maria - Lompoc	556	17
Seattle	556	17
Salinas - Seaside - Monterey	545	19
Raleigh - Durham	527	20
Manchester - Nashua	515	21
Fort Walton Beach	511	22
Naples	486	23
San Jose	462	24
Portland, Ore	455	25
Bridgeport - Stamford - Norwalk - Danbury	454	26
Los Angeles - Long Beach	452	27
Washington	449	28
Billings	446	29
Boulder - Longmont	446	29
La Crosse	446	29
Madison	446	29
Santa Cruz	440	33
Hartford - New Britain - Middletown - Bristol	439	34
Springfield, Mass	439	34
Rapid City	431	36
San Diego	431	36
New London - Norwich	422	38
Glens Falls	418	39
Sioux Falls	418	39
Lancaster	416	41
Providence - Pawtucket - Woonsocket	413	42
Denver	412	43
Gainesville	412	43
Monmouth - Ocean	411	45
New Bedford - Fall River - Attleboro	410	46
Oakland	408	47
New Haven - Waterbury - Meriden	407	48
Ann Arbor	404	49
Nassau - Suffolk	403	50
Minneapolis - St. Paul	401	51
Bradenton	400	52
Santa Fe	400	52
Bellingham	398	54
Medford	398	54
Albuquerque	397	56
Chicago	397	56
Worcester - Fitchburg - Leominster	397	56
New York	396	59
Daytona Beach	395	60
Green Bay	394	61
Miami - Hialeah	393	62
Bloomington - Normal	389	63
Santa Rosa - Petaluma	388	64
Albany - Schenectady - Troy	387	65
Bergen - Passaic	387	65
Rochester, Minn	386	67
Spokane	386	67
Oxnard - Ventura	384	69
Tampa - St. Petersburg - Clearwater	383	70
Eugene - Springfield	382	71
Sacramento	380	72
Tallahassee	379	73
Bangor	378	74
Tacoma	378	74
Reading	377	76
Wilmington, N.C.	377	76
Champaign - Urbana - Rantoul	376	78
Cheyenne	376	78
Lewiston - Auburn	376	78
Cincinnati	371	81
State College	368	82
Fort Pierce	367	83
Milwaukee	366	84
Trenton	365	85
Atlanta	364	86
Cedar Rapids	363	87
Springfield, Ill	363	87
Great Falls	362	89
Syracuse	361	90
Middlesex - Somerset - Hunterdon	360	91
Kalamazoo	358	92
Iowa City	357	93
Melbourne - Titusville - Palm Bay	357	93
Fort Collins - Loveland	355	95
Olympia	355	95
Richland - Kennewick - Pasco	355	95
Casper	354	96
Dallas	354	98
New Orleans	354	98
Austin	353	101
Roanoke	353	101
Phoenix	352	103
Fort Wayne	350	104
Nashville	349	105
Knoxville	348	106
Lexington-Fayette	348	106
Des Moines	342	108
Fargo - Moorhead	341	109
Lake County, Ill	341	109
Eau Claire	340	111
Binghamton	339	112
Wichita Falls	339	112
Janesville - Beloit	338	114
Charleston, S.C.	337	115
Ocala	337	115
Poughkeepsie	337	115
Racine	336	118
Amarillo	334	119
Jacksonville, Fla	334	119
Salem, Ore	334	119
Dubuque	333	122
Saginaw - Bay City - Midland	331	123
Orange County, N.Y.	330	124
Pittsburgh	330	124
Omaha	329	126
Utica - Rome	328	127
Charlottesville	326	128
Chico	326	128
Niagara Falls	326	128
Boise	325	131
Rochester, N.Y.	325	131
Grand Rapids	324	133
Elmira	323	134
Appleton - Oshkosh - Neenah	322	135
Toledo	322	135
Vallejo - Fairfield - Napa	322	135
Benton Harbor	321	138
Las Vegas	321	138
Buffalo	320	140
Erie	319	141
Detroit	316	142
Modesto	316	142
Vancouver	316	142
Lubbock	315	145
Philadelphia	315	145
Wilmington, Del	315	145
Akron	313	148
Lansing - East Lansing	313	148
Cleveland	312	150
Decatur, Ill	311	151
Bismarck	310	152
Pueblo	310	152
Reno	310	152
Yakima	309	155
Newark	308	156
Wausau	308	156
Davenport - Rock Island - Moline	307	158
Norfolk - Virginia Beach - Newport News	307	158
Lincoln	306	160
Scranton - Wilkes-Barre	306	160
Altoona	305	162
Asheville	305	162
Redding	305	162
Wichita	305	162
Kansas City	302	166
Columbus, Ohio	300	167
Tucson	299	168
Harrisburg - Lebanon - Carlisle	298	169
Sioux City	296	170
Grand Forks	295	171
Springfield, Mo	294	172
York	293	173
Stockton	292	174
Tyler	291	175
Battle Creek	290	176
Kenosha	290	176
San Antonio	290	176
Richmond - Petersburg	289	179
Rockford	289	179
Savannah	289	179
Fresno	287	182
Lynchburg	287	182
Muskegon	287	182
Baltimore	285	185
Colorado Springs	285	185
Columbia, S.C.	285	185
Oklahoma City	285	185
Sheboygan	285	185
Allentown - Bethlehem - Easton	280	190
Lafayette, La	280	190
Monroe	280	190
Houston	279	193
Topeka	279	193
Duluth	274	195
Riverside - San Bernardino	274	195
St. Louis	273	197
Aurora - Elgin	272	198
Louisville	271	199
Abilene	270	200
Canton	270	200
Indianapolis	270	200
Kokomo	270	200
Bloomington, Ind	269	204
Greensboro - Winston-Salem - High Point	268	205
Waterloo - Cedar Falls	267	206
Flint	266	207
Fort Worth - Arlington	266	207
Evansville	264	209
Lima	264	209
St. Joseph	263	211
Lafayette - West Lafayette	262	212
Bremerton	261	213
Columbia, Mo	260	214
Charlotte - Gastonia - Rock Hill	258	215
Mansfield	257	216
St. Cloud	257	216
South Bend - Mishawaka	256	218
Dayton - Springfield	255	219
Galveston - Texas City	255	219
Macon - Warner Robins	255	219
Waco	253	222
Lawrence, Kans	252	223
Tulsa	252	223
Williamsport	250	225
Longview - Marshall	248	226
Burlington, N.C.	247	227
Greenville - Spartanburg	247	227
Jackson, Mich	247	227
Pensacola	247	227
Shreveport	247	227
Cumberland	246	232
Joplin	246	232
Columbus, Ga	245	234
Little Rock - North Little Rock	243	235
Bakersfield	242	236
Kankakee	240	237
Peoria	240	237
Yuma	240	237
Youngstown - Warren	239	240
Elkhart - Goshen	238	241
Athens	237	242
Jamestown - Dunkirk	237	242
Lakeland - Winter Haven	237	242
Muncie	237	242
Sharon	237	242
Salt Lake City - Ogden	236	247
San Angelo	235	248
Hickory - Morganton	234	249
Greeley	233	250
Fort Smith	232	251
Augusta	231	252
Chattanooga	229	253
Terre Haute	229	253
Jackson, Miss	228	255
Danville, Va	227	256
Florence, S.C.	227	256
Midland, Tex	227	256
Albany, Ga	225	259
Memphis	225	259
Yuba City	225	259
Odessa	222	262
Huntsville	221	263
Victoria	221	263
Bryan - College Station	219	265
Mobile	219	265
Gary - Hammond	218	267
Owensboro	218	267
Beaver County, Pa	217	269
Dothan	217	269
Jersey City	216	271
Vineland - Millville - Bridgeton	216	271
Anderson, S.C.	214	273
Charleston, W.Va	214	273
Jackson, Tenn	214	273
Texarkana	214	273
Corpus Christi	213	277
Hamilton - Middletown	213	277
Birmingham	208	279
Clarksville - Hopkinsville	208	279
Hagerstown	208	279
Johnstown	208	279
Visalia - Tulare - Porterville	207	283
Baton Rouge	206	284
Beaumont - Port Arthur	206	284
Enid	203	286
Sherman - Denison	203	286
Fayetteville, N.C.	202	288
Anderson, Ind	200	289
Lake Charles	199	290
Merced	199	290
Montgomery	197	292
Biloxi - Gulfport	195	293
Joliet	194	294
Las Cruces	194	294
Alexandria, La	192	296
Fayetteville - Springdale	189	297
Lorain - Elyria	187	298
Laredo	186	299
Jacksonville, N.C.	185	300
Houma - Thibodaux	184	301
Lawton	182	302
Anniston	180	303
Tuscaloosa	179	304
El Paso	178	305
Killeen - Temple	176	306
Parkersburg - Marietta	174	307
Wheeling	173	308
Brownsville - Harlingen	169	309
Brazoria	167	310
Steubenville - Weirton	167	310
Pine Bluff	161	312
Huntington - Ashland	159	313
Florence, Ala	158	314
Gadsden	150	315
Johnson City - Kingsport - Bristol	149	316
Decatur, Ala	143	317
Pascagoula	133	318
Provo - Orem	132	319
McAllen - Edinburg - Mission	131	320
Total Above Areas	361	
United States Total	328	

24TH ANNUAL R&I

1990 TOTAL POPULATION

ADI RANKING

ADI	Population (000)	Rank
New York	18,650.7	1
Los Angeles	13,599.9	2
Chicago	8,389.2	3
Philadelphia	7,181.9	4
San Francisco - Oakland - San Jose	5,879.5	5
Boston	5,726.9	6
Washington, D.C.	4,747.6	7
Detroit	4,672.7	8
Dallas - Ft. Worth	4,661.0	9
Houston	4,052.6	10
Atlanta	3,850.9	11
Cleveland	3,776.0	12
Minneapolis - St. Paul	3,667.3	13
Seattle - Tacoma	3,580.8	14
Miami - Ft. Lauderdale	3,320.7	15
Sacramento - Stockton	3,112.0	16
St. Louis	2,954.7	17
Pittsburgh	2,950.9	18
Tampa - St. Petersburg	2,948.2	19
Phoenix	2,662.7	20
Denver	2,600.5	21
Baltimore	2,583.9	22
San Diego	2,562.9	23
Hartford - New Haven	2,474.0	24
Orlando - Daytona Beach - Melbourne	2,312.1	25
Indianapolis	2,261.3	26
Portland, Ore.	2,226.7	27
Milwaukee	2,065.9	28
Cincinnati	2,041.8	29
Kansas City	1,985.8	30
Charlotte	1,937.4	31
Nashville	1,894.9	32
Raleigh - Durham	1,881.3	33
Salt Lake City	1,872.7	34
Columbus, Ohio	1,836.6	35
Greenville - Spartanburg - Asheville	1,711.6	36
Grand Rapids - Kalamazoo - Battle Creek	1,702.5	37
San Antonio	1,689.6	38
Norfolk - Portsmouth - Newport News - Hampton	1,681.2	39
Buffalo	1,671.3	40
New Orleans	1,664.7	41
Memphis	1,649.6	42
Providence - New Bedford	1,529.9	43
Oklahoma City	1,481.1	44
Harrisburg - York - Lancaster - Lebanon	1,463.5	45
Louisville	1,461.5	46
Albuquerque	1,444.3	47
Fresno - Visalia	1,393.8	48
Wilkes-Barre - Scranton	1,376.7	49
Greensboro - Winston-Salem - High Point	1,337.8	50
Birmingham	1,334.4	51
Albany - Schenectady - Troy	1,329.3	52
Dayton	1,328.0	53
West Palm Beach - Ft. Pierce - Vero Beach	1,278.2	54
Charleston - Huntington	1,249.3	55
Jacksonville	1,243.6	56
Palm Springs	1,242.1	57
Flint - Saginaw - Bay City	1,233.3	58
Little Rock	1,193.6	59
Tulsa	1,149.8	60
Richmond	1,149.7	61
Mobile - Pensacola	1,109.0	62
Wichita - Hutchinson	1,103.3	63
Knoxville	1,096.8	64
Toledo	1,095.7	65
Green Bay - Appleton	1,023.5	66
Roanoke - Lynchburg	1,019.2	67
Shreveport - Texarkana	995.5	58
Portland - Poland Spring	966.1	69
Rochester, N.Y.	962.8	70
Syracuse	962.4	71
Austin, Tex.	957.8	72
Des Moines	951.5	73
Omaha	945.0	74
Lexington	915.9	75
Springfield - Decatur - Champaign	884.3	76
Paducah - Cape Girardeau - Harrisburg - Marion	866.8	77
Spokane	831.3	78
Springfield, Mo.	828.6	79
Columbia, S.C.	822.9	80
Johnstown - Altoona	811.3	81
South Bend - Elkhart	808.7	82
Tucson	807.1	83
Cedar Rapids - Waterloo - Dubuque	806.1	84
Chattanooga	805.2	85
Las Vegas	795.5	86
Jackson, Miss.	784.8	87
Davenport - Rock Island - Moline	783.5	88
Bristol - Kingsport - Johnson City	778.1	89
El Paso	762.4	90
Huntsville - Decatur - Florence	743.6	91
Baton Rouge	726.0	92
Youngstown	718.8	93
McAllen - Brownsville	715.1	94
Waco - Temple - Bryan	708.5	95
Madison	698.8	96
Greenville - New Bern - Washington	697.3	97
Evansville	686.1	98
Springfield, Mass.	677.4	99
Burlington - Plattsburgh	660.1	100
Savannah	653.6	101
Ft. Myers - Naples	651.6	102
Colorado Springs - Pueblo	637.4	103
Salinas - Monterey	633.9	104
Charleston, S.C.	633.7	105
Ft. Wayne	632.2	106
Lansing	628.5	107
Lincoln - Hastings - Kearney	616.4	108
Santa Barbara - Santa Maria - San Luis Obispo	596.3	109
Peoria - Bloomington	586.2	110
Sioux Falls - Mitchell	580.7	111
Montgomery - Selma	578.4	112
Augusta	571.3	113
Fargo	570.9	114
Bakersfield	558.9	115
Tyler - Longview - Jacksonville	538.5	116
Tallahassee - Thomasville	535.3	117
Lafayette, La.	524.7	118
Eugene	510.8	119
Corpus Christi	504.8	120
Macon	504.5	121
Columbus, Ga.	500.3	122
Ft. Smith	492.5	123
Yakima - Pasco - Richland - Kennewick	482.1	124
Traverse City - Cadillac	480.0	125
Monroe - El Dorado	476.4	126
La Crosse - Eau Claire	473.6	127
Columbus - Tupelo	470.8	128
Amarillo	448.1	129
Reno	443.8	130
Wausau - Rhinelander	438.3	131
Duluth - Superior	433.5	132
Beaumont - Port Arthur	430.0	133
Chico - Redding	425.5	134
Binghamton	424.9	135
Florence - Myrtle Beach	415.9	136
Wichita Falls - Lawton	413.4	137
Rockford	412.6	138
Boise	411.8	139
Terre Haute	411.7	140
Sioux City	411.4	141
Erie	410.7	142
Topeka	405.6	143
Wilmington	386.8	144
Odessa - Midland	379.0	145
Lubbock	377.9	146
Albany, Ga.	377.1	147
Utica	377.1	147
Wheeling - Steubenville	374.3	149
Minot - Bismarck - Dickinson - Glendive	363.1	150
Bluefield - Beckley - Oak Hill	362.2	151
Columbia - Jefferson City	360.0	152
Joplin - Pittsburg	353.9	153
Medford	349.8	154
Rochester - Mason City - Austin	349.1	155
Bangor	332.7	156
Idaho Falls - Pocatello	322.3	157
Biloxi - Gulfport - Pascagoula	301.3	158
Abilene - Sweetwater	289.4	159
Quincy - Hannibal	289.0	160
Sarasota	282.7	161
Clarksburg - Weston	279.1	162
Laurel - Hattiesburg	264.9	163
Panama City	253.8	164
Watertown - Carthage	253.1	165
Alexandria, La.	249.8	166
Salisbury	248.9	167
Dothan	238.9	168
Harrisonburg	238.9	168
Elmira	235.8	170
Rapid City	233.6	171
Gainesville	231.0	172
Greenwood - Greenville	230.5	173
Lake Charles	228.7	174
Billings - Hardin	225.5	175
El Centro - Yuma	220.0	176
Missoula	188.0	177
Jonesboro	186.1	178
Ardmore - Ada	182.6	179
Meridian	180.1	180
Great Falls	168.7	181
Grand Junction - Durango	153.2	182
Tuscaloosa	151.6	183
Marquette	151.3	184
Jackson, Tenn.	150.2	185
Parkersburg	148.4	186
Laredo	145.1	187
Eureka	144.0	188
San Angelo	134.7	189
Lafayette, Ind.	131.2	190
Butte	129.2	191
St. Joseph	128.1	192
Bowling Green	122.7	193
Hagerstown	122.1	194
Anniston	116.2	195
Lima	109.8	196
Charlottesville	109.4	197
Cheyenne - Scottsbluff (Sterling)	109.1	198
Casper - Riverton	108.7	199
Flagstaff	98.6	200
Twin Falls	97.4	201
Ottumwa - Kirksville	87.4	202
Presque Isle	86.6	203
Mankato	82.3	204
Zanesville	82.1	205
Bend	75.8	206
Victoria	74.3	207
Helena	47.7	208
North Platte	45.0	209
Alpena	40.8	210
Total U.S. ADIs	249,137.4	

24TH ANNUAL RGI

1990
PER CAPITA EFFECTIVE BUYING INCOME

ADI RANKING

ADI	Per Capita EBI	Rank
San Francisco - Oakland - San Jose	19,060	1
Washington, D.C.	18,643	2
New York	17,949	3
Boston	17,272	4
Hartford - New Haven	16,866	5
West Palm Beach - Ft. Pierce - Vero Beach	16,803	6
San Diego	16,067	7
Philadelphia	15,743	8
Rochester, N.Y.	15,727	9
Sarasota	15,684	10
Chicago	15,676	11
Los Angeles	15,659	12
Seattle - Tacoma	15,429	13
Milwaukee	15,182	14
Santa Barbara - Santa Maria - San Luis Obispo	15,114	15
Salinas - Monterey	14,982	16
Peoria - Bloomington	14,956	17
Baltimore	14,917	18
Denver	14,718	19
Albany - Schenectady - Troy	14,680	20
Detroit	14,592	21
Miami - Ft. Lauderdale	14,573	22
Dallas - Ft. Worth	14,533	23
Kansas City	14,496	24
Harrisburg - York - Lancaster - Lebanon	14,392	25
Ft. Myers - Naples	14,321	26
St. Louis	14,309	27
Minneapolis - St. Paul	14,303	28
Rockford	14,218	29
Atlanta	14,191	30
Reno	14,135	31
Providence - New Bedford	14,073	32
Richmond	14,068	33
Sacramento - Stockton	14,062	34
Binghamton	13,952	35
Charlottesville	13,934	36
Palm Springs	13,850	37
Syracuse	13,846	38
Omaha	13,800	39
Madison	13,756	40
Houston	13,729	41
Portland - Poland Spring	13,650	42
Springfield, Mass	13,634	43
Cleveland	13,628	44
Tampa - St. Petersburg	13,621	45
Davenport - Rock Island - Moline	13,580	46
Austin, Tex	13,566	47
Wichita - Hutchinson	13,522	48
Cincinnati	13,469	49
Pittsburgh	13,439	50
Las Vegas	13,380	51
Springfield - Decatur - Champaign	13,293	52
Buffalo	13,262	53
Lansing	13,250	54
Orlando - Daytona Beach - Melbourne	13,233	55
Portland, Ore	13,215	56
Dayton	13,202	57
Grand Rapids - Kalamazoo - Battle Creek	13,190	58
Greensboro - Winston-Salem - High Point	13,126	59
Des Moines	13,055	60
Phoenix	13,055	60
Indianapolis	13,049	62
Cedar Rapids - Waterloo - Dubuque	12,982	63
Bakersfield	12,976	64
Erie	12,937	65
Topeka	12,899	66
Jacksonville	12,856	67
Toledo	12,774	68
Columbus, Ohio	12,767	69
Beaumont - Port Arthur	12,746	70
Rochester - Mason City - Austin	12,718	71
Utica	12,688	72
Charlotte	12,640	73
Nashville	12,504	74
Norfolk - Portsmouth - Newport News - Hampton	12,486	75
Youngstown	12,464	76
Lafayette, Ind	12,422	77
North Platte	12,406	78
Lincoln - Hastings - Kearney	12,400	79
Casper - Riverton	12,383	80
Green Bay - Appleton	12,349	81
Raleigh - Durham	12,298	82
Burlington - Plattsburgh	12,275	83
Ft. Wayne	12,243	84
Huntsville - Decatur - Florence	12,123	85
Helena	12,105	86
Louisville	12,089	87
Roanoke - Lynchburg	12,087	88
South Bend - Elkhart	12,052	89
Flint - Saginaw - Bay City	12,049	90
Grand Junction - Durango	12,032	91
Eureka	12,017	92
Columbia - Jefferson City	12,013	93
Hagerstown	11,991	94
Evansville	11,972	95
Wilkes-Barre - Scranton	11,961	96
Odessa - Midland	11,932	97
Lima	11,913	98
Baton Rouge	11,895	99
Gainesville	11,878	100
Yakima - Pasco - Richland - Kennewick	11,869	101
Mobile - Pensacola	11,856	102
Duluth - Superior	11,830	103
New Orleans	11,828	104
Salisbury	11,822	105
Rapid City	11,801	106
Elmira	11,779	107
Spokane	11,770	108
Victoria	11,768	109
San Angelo	11,757	110
Boise	11,755	111
Columbia, S.C.	11,754	112
Alpena	11,751	113
St. Joseph	11,744	114
Wausau - Rhinelander	11,730	115
Twin Falls	11,704	116
Chico - Redding	11,699	117
Amarillo	11,684	118
Parkersburg	11,657	119
Tyler - Longview - Jacksonville	11,641	120
Minot - Bismarck - Dickinson - Glendive	11,596	121
Bangor	11,573	122
La Crosse - Eau Claire	11,572	123
Greenville - Spartanburg - Asheville	11,476	124
Fresno - Visalia	11,474	125
Colorado Springs - Pueblo	11,472	126
Missoula	11,468	127
Sioux Falls - Mitchell	11,451	128
Oklahoma City	11,435	129
Macon	11,416	130
Terre Haute	11,414	131
Little Rock	11,399	132
Birmingham	11,397	133
Eugene	11,383	134
Cheyenne - Scottsbluff (Sterling)	11,357	135
Fargo	11,336	136
Wheeling - Steubenville	11,336	136
Tulsa	11,314	138
Biloxi - Gulfport - Pascagoula	11,287	139
Bend	11,270	140
Harrisonburg	11,234	141
Chattanooga	11,230	142
Butte	11,162	143
Lake Charles	11,153	144
Savannah	11,141	145
Billings - Hardin	11,133	146
Quincy - Hannibal	11,133	146
Knoxville	11,132	148
Tallahassee - Thomasville	11,040	149
Bristol - Kingsport - Johnson City	11,029	150
Johnstown - Altoona	11,020	151
Ft. Smith	11,005	152
Tucson	11,002	153
Presque Isle	10,949	154
Marquette	10,929	155
Memphis	10,916	156
Great Falls	10,905	157
Jackson, Tenn	10,904	158
Charleston, S.C.	10,854	159
Lexington	10,850	160
Idaho Falls - Pocatello	10,819	161
San Antonio	10,815	162
Augusta	10,813	163
Sioux City	10,812	164
Mankato	10,730	165
Albuquerque	10,652	166
Waco - Temple - Bryan	10,649	167
Medford	10,633	168
Shreveport - Texarkana	10,566	169
Anniston	10,505	170
Paducah - Cape Girardeau - Harrisburg - Marion	10,505	170
Joplin - Pittsburg	10,499	172
Abilene - Sweetwater	10,491	173
Jackson, Miss	10,489	174
Lafayette, La	10,484	175
Columbus, Ga	10,449	176
Tuscaloosa	10,411	177
Springfield, Mo	10,381	178
Wichita Falls - Lawton	10,371	179
Lubbock	10,370	180
Salt Lake City	10,356	181
Charleston - Huntington	10,346	182
Florence - Myrtle Beach	10,326	183
Watertown - Carthage	10,282	184
Traverse City - Cadillac	10,205	185
Jonesboro	10,196	186
Corpus Christi	10,185	187
Dothan	10,142	188
Wilmington	10,082	189
Zanesville	10,081	190
Montgomery - Selma	10,059	191
Panama City	9,896	192
Bowling Green	9,810	193
Meridian	9,768	194
Laurel - Hattiesburg	9,732	195
Bluefield - Beckley - Oak Hill	9,655	196
Ottumwa - Kirksville	9,610	197
Albany, Ga	9,604	198
Clarksburg - Weston	9,582	199
Greenville - New Bern - Washington	9,563	200
Flagstaff	9,420	201
Columbus - Tupelo	9,319	202
El Centro - Yuma	9,076	203
Alexandria, La	9,041	204
Monroe - El Dorado	8,991	205
El Paso	8,857	206
Ardmore - Ada	8,314	207
Greenwood - Greenville	7,474	208
McAllen - Brownsville	6,553	209
Laredo	6,224	210
Total U.S. ADIs	13,943	

24TH ANNUAL ROI

1990
EATING PLACE SALES

ADI RANKING

ADI	Sales($000)	Rank
New York	12,835,786	1
Los Angeles	11,693,551	2
Chicago	5,926,943	3
San Francisco - Oakland - San Jose	5,770,879	4
Boston	5,507,012	5
Philadelphia	4,638,668	6
Washington, D.C	4,006,752	7
Dallas - Ft. Worth	3,465,087	8
Detroit	3,213,906	9
Atlanta	3,080,260	10
Seattle - Tacoma	3,025,648	11
Miami - Ft. Lauderdale	2,771,537	12
Houston	2,499,613	13
Minneapolis - St. Paul	2,459,220	14
Cleveland	2,287,933	15
San Diego	2,077,818	16
Sacramento - Stockton	2,067,719	17
Denver	2,054,578	18
Orlando - Daytona Beach - Melbourne	2,016,769	19
Tampa - St. Petersburg	2,014,255	20
St. Louis	1,996,937	21
Hartford - New Haven	1,865,452	22
Phoenix	1,813,730	23
Baltimore	1,745,391	24
Pittsburgh	1,719,940	25
Portland, Ore	1,719,503	26
Raleigh - Durham	1,511,505	27
Indianapolis	1,507,704	28
Cincinnati	1,412,134	29
Milwaukee	1,401,641	30
Kansas City	1,352,663	31
Charlotte	1,218,310	32
Providence - New Bedford	1,212,534	33
New Orleans	1,198,055	34
Columbus, Ohio	1,185,591	35
Nashville	1,132,346	36
Norfolk - Portsmouth - Newport News - Hampton	1,128,667	37
San Antonio	1,104,795	38
West Palm Beach - Ft. Pierce - Vero Beach	1,052,770	39
Buffalo	1,006,603	40
Greenville - Spartanburg - Asheville	981,778	41
Salt Lake City	961,548	42
Oklahoma City	946,665	43
Albany - Schenectady - Troy	935,163	44
Jacksonville	913,596	45
Grand Rapids - Kalamazoo - Battle Creek	911,469	46
Louisville	903,364	47
Harrisburg - York - Lancaster - Lebanon	886,206	48
Albuquerque	865,172	49
Portland - Poland Spring	864,093	50
Greensboro - Winston-Salem - High Point	852,502	51
Dayton	814,135	52
Memphis	790,255	53
Palm Springs	763,610	54
Wilkes-Barre - Scranton	743,152	55
Austin, Tex	730,625	56
Fresno - Visalia	719,453	57
Birmingham	715,341	58
Richmond	704,987	59
Wichita - Hutchinson	688,296	60
Tulsa	684,191	61
Mobile - Pensacola	681,111	62
Flint - Saginaw - Bay City	658,308	63
Rochester, N.Y	654,078	64
Toledo	647,801	65
Syracuse	638,510	66
Knoxville	633,901	67
Green Bay - Appleton	630,510	68
Little Rock	600,442	69
Las Vegas	576,528	70
Omaha	569,487	71
Lexington	559,768	72
Springfield - Decatur - Champaign	557,232	73
Roanoke - Lynchburg	555,681	74
Charleston - Huntington	555,263	75
Des Moines	541,872	76
Santa Barbara - Santa Maria - San Luis Obispu	534,435	77
Ft. Myers - Naples	519,087	78
Salinas - Monterey	517,784	79
Spokane	502,438	80
Springfield, Mass	496,899	81
Columbia, S.C	496,444	82
Madison	492,291	83
Tucson	466,440	84
Cedar Rapids - Waterloo - Dubuque	464,558	85
South Bend - Elkhart	458,870	86
Shreveport - Texarkana	441,907	87
Chattanooga	441,573	88
Burlington - Plattsburgh	435,833	89
Davenport - Rock Island - Moline	434,234	90
Charleston, S.C	425,301	91
Huntsville - Decatur - Florence	413,222	92
Savannah	412,936	93
Springfield, Mo	410,786	94
Johnstown - Altoona	400,436	95
Paducah - Cape Girardeau - Harrisburg - Marion	389,473	96
Colorado Springs - Pueblo	369,743	97
Youngstown	367,457	98
Ft. Wayne	364,974	99
Eugene	363,178	100
Lansing	362,070	101
Jackson, Miss	355,478	102
Peoria - Bloomington	347,048	103
Waco - Temple - Bryan	345,939	104
Florence - Myrtle Beach	345,035	105
Baton Rouge	341,538	106
Evansville	340,400	107
Greenville - New Bern - Washington	340,041	108
El Paso	337,253	109
Bristol - Kingsport - Johnson City	324,193	110
Lincoln - Hastings - Kearney	319,919	111
Bakersfield	309,384	112
Reno	307,686	113
Augusta	307,016	114
Tyler - Longview - Jacksonville	306,893	115
Sarasota	292,192	116
Sioux Falls - Mitchell	290,744	117
Fargo	289,521	118
Yakima - Pasco - Richland - Kennewick	289,442	119
Salisbury	285,161	120
Montgomery - Selma	282,384	121
Tallahassee - Thomasville	281,841	122
Traverse City - Cadillac	276,934	123
Amarillo	273,597	124
Corpus Christi	271,497	125
La Crosse - Eau Claire	270,352	126
Macon	263,935	127
McAllen - Brownsville	253,625	128
Columbus, Ga	253,287	129
Ft. Smith	250,363	130
Lafayette, La	249,219	131
Wausau - Rhinelander	249,097	132
Chico - Redding	244,504	133
Erie	239,486	134
Utica	238,330	135
Lubbock	231,937	136
Wichita Falls - Lawton	227,978	137
Medford	226,961	138
Topeka	225,345	139
Rockford	222,729	140
Boise	222,435	141
Duluth - Superior	222,417	142
Beaumont - Port Arthur	221,490	143
Wilmington	220,832	144
Binghamton	220,107	145
Monroe - El Dorado	200,625	146
Bangor	192,756	147
Rochester - Mason City - Austin	188,688	148
Odessa - Midland	183,825	149
Joplin - Pittsburg	183,180	150
Sioux City	183,029	151
Columbia - Jefferson City	181,154	152
Panama City	178,781	153
Biloxi - Gulfport - Pascagoula	177,101	154
Wheeling - Steubenville	167,655	155
Terre Haute	161,535	156
Albany, Ga	160,195	157
Gainesville	160,140	158
Minot - Bismarck - Dickinson - Glendive	156,981	159
Columbus - Tupelo	155,746	160
Idaho Falls - Pocatello	147,045	161
Abilene - Sweetwater	144,373	162
Billings - Hardin	143,842	163
Watertown - Carthage	141,625	164
Grand Junction - Durango	134,386	165
Rapid City	132,571	166
Bluefield - Beckley - Oak Hill	128,463	167
Dothan	127,635	168
Elmira	121,119	169
Harrisonburg	117,299	170
Missoula	116,472	171
Quincy - Hannibal	113,466	172
Clarksburg - Weston	112,594	173
Lake Charles	108,719	174
Laurel - Hattiesburg	102,278	175
Alexandria, La	99,884	176
Charlottesville	96,074	177
El Centro - Yuma	93,722	178
Tuscaloosa	91,022	179
Lafayette, Ind	88,644	180
Flagstaff	86,267	181
Great Falls	83,940	182
Eureka	83,157	183
Parkersburg	82,402	184
Butte	79,643	185
Greenwood - Greenville	76,078	186
San Angelo	73,021	187
Lima	71,346	188
Cheyenne - Scottsbluff (Sterling)	70,317	189
Anniston	70,287	190
Ardmore - Ada	70,068	191
St. Joseph	69,384	192
Marquette	67,603	193
Bend	66,675	194
Laredo	66,535	195
Jonesboro	65,102	196
Meridian	64,007	197
Bowling Green	62,911	198
Jackson, Tenn	62,028	199
Casper - Riverton	58,295	200
Twin Falls	58,015	201
Hagerstown	56,852	202
Zanesville	52,351	203
Mankato	46,924	204
Victoria	41,836	205
Presque Isle	35,137	206
Ottumwa - Kirksville	33,553	207
Helena	32,324	208
North Platte	29,271	209
Alpena	16,599	210
Total U.S. ADIs	168,158,784	

24TH ANNUAL RGI

1990
EATING PLACE UNITS

ADI RANKING

ADI	Units	**Rank**
New York	23,966	1
Los Angeles	16,866	2
Chicago	10,453	3
San Francisco - Oakland - San Jose	9,222	4
Philadelphia	8,616	5
Boston	8,294	6
Washington, D.C.	6,158	7
Dallas - Ft. Worth	5,818	8
Detroit	5,445	9
Atlanta	5,173	10
Seattle - Tacoma	4,941	11
Cleveland	4,769	12
Miami - Ft. Lauderdale	4,544	13
Houston	4,430	14
Minneapolis - St. Paul	4,365	15
Denver	4,145	16
Sacramento - Stockton	3,910	17
St. Louis	3,669	18
Pittsburgh	3,588	19
Tampa - St. Petersburg	3,455	20
Hartford - New Haven	3,422	21
Phoenix	3,268	22
San Diego	3,185	23
Portland, Ore	3,103	24
Indianapolis	3,018	25
Baltimore	2,957	26
Orlando - Daytona Beach - Melbourne	2,924	27
Milwaukee	2,605	28
Charlotte	2,496	29
Kansas City	2,474	30
Buffalo	2,441	31
Cincinnati	2,421	32
Raleigh - Durham	2,286	33
Oklahoma City	2,282	34
Columbus, Ohio	2,220	35
Providence - New Bedford	2,214	36
Nashville	2,140	37
Salt Lake City	2,099	38
San Antonio	2,098	39
Norfolk - Portsmouth - Newport News - Hampton	2,085	40
Albany - Schenectady - Troy	2,055	41
Greenville - Spartanburg - Asheville	2,041	42
Grand Rapids - Kalamazoo - Battle Creek	2,010	43
New Orleans	1,940	44
Albuquerque	1,882	45
Wilkes-Barre - Scranton	1,811	46
Wichita - Hutchinson	1,734	47
Greensboro - Winston-Salem - High Point	1,716	48
Harrisburg - York - Lancaster - Lebanon	1,698	49
Memphis	1,688	50
Portland - Poland Spring	1,681	51
West Palm Beach - Ft. Pierce - Vero Beach	1,638	52
Dayton	1,622	53
Louisville	1,609	54
Tulsa	1,561	55
Jacksonville	1,508	56
Toledo	1,475	57
Fresno - Visalia	1,465	58
Austin, Tex	1,385	59
Little Rock	1,382	60
Syracuse	1,380	61
Green Bay - Appleton	1,375	62
Flint - Saginaw - Bay City	1,374	63
Richmond	1,372	64
Birmingham	1,326	65
Omaha	1,296	66
Des Moines	1,292	67
Charleston - Huntington	1,281	68
Mobile - Pensacola	1,255	69
Rochester, N.Y.	1,232	70
Knoxville	1,222	71
Springfield - Decatur - Champaign	1,189	72
Roanoke - Lynchburg	1,184	73
Springfield, Mo	1,146	74
Palm Springs	1,131	75
Spokane	1,126	76
South Bend - Elkhart	1,111	77
Davenport - Rock Island - Moline	1,083	78
Cedar Rapids - Waterloo - Dubuque	1,078	79
Paducah - Cape Girardeau - Harrisburg - Marion	1,027	80
Madison	1,008	81
Burlington - Plattsburgh	1,007	82
Tucson	978	83
Lexington	976	84
Chattanooga	958	85
Santa Barbara - Santa Maria - San Luis Obispo	958	85
Johnstown - Altoona	954	87
Shreveport - Texarkana	950	88
Salinas - Monterey	940	89
Youngstown	934	90
Columbia, S.C.	907	91
Lincoln - Hastings - Kearney	905	92
Colorado Springs - Pueblo	889	93
Sioux Falls - Mitchell	887	94
Ft. Myers - Naples	853	95
Springfield, Mass	848	96
Las Vegas	845	97
Traverse City - Cadillac	837	98
Ft. Wayne	824	99
Huntsville - Decatur - Florence	814	100
Evansville	812	101
Peoria - Bloomington	812	101
Fargo	800	103
Waco - Temple - Bryan	783	104
Eugene	766	105
Jackson, Miss	761	106
Savannah	751	107
Bristol - Kingsport - Johnson City	740	108
Greenville - New Bern - Washington	734	109
El Paso	732	110
Amarillo	711	111
Lansing	710	112
Charleston, S.C.	700	113
Florence - Myrtle Beach	681	114
Duluth - Superior	680	115
Baton Rouge	674	116
Corpus Christi	663	117
Wausau - Rhinelander	657	118
Tyler - Longview - Jacksonville	644	119
La Crosse - Eau Claire	642	120
Ft. Smith	611	121
Reno	607	122
Sioux City	602	123
Bakersfield	582	124
Yakima - Pasco - Richland - Kennewick	579	125
Chico - Redding	578	126
McAllen - Brownsville	576	127
Topeka	566	128
Medford	565	129
Odessa - Midland	565	129
Boise	554	131
Augusta	553	132
Joplin - Pittsburg	550	133
Tallahassee - Thomasville	544	134
Wichita Falls - Lawton	543	135
Montgomery - Selma	541	136
Salisbury	539	137
Erie	534	138
Lubbock	528	139
Macon	526	140
Utica	525	141
Rockford	523	142
Wilmington	518	143
Minot - Bismarck - Dickinson - Glendive	515	144
Binghamton	501	145
Columbus, Ga	500	146
Bangor	494	147
Terre Haute	491	148
Lafayette, La	480	149
Rochester - Mason City - Austin	469	150
Sarasota	460	151
Beaumont - Port Arthur	437	152
Columbia - Jefferson City	437	152
Wheeling - Steubenville	434	154
Monroe - El Dorado	432	155
Columbus - Tupelo	424	156
Idaho Falls - Pocatello	422	157
Quincy - Hannibal	383	158
Albany, Ga	380	159
Abilene - Sweetwater	372	160
Billings - Hardin	370	161
Rapid City	364	162
Biloxi - Gulfport - Pascagoula	358	163
Panama City	338	164
Watertown - Carthage	338	164
Bluefield - Beckley - Oak Hill	337	166
Clarksburg - Weston	337	166
Missoula	335	168
Gainesville	306	169
Elmira	301	170
Harrisonburg	278	171
Great Falls	277	172
Laurel - Hattiesburg	267	173
Eureka	260	174
Butte	239	175
Dothan	237	176
El Centro - Yuma	231	177
Grand Junction - Durango	231	177
Greenwood - Greenville	231	177
Ardmore - Ada	217	180
Jonesboro	208	181
Lake Charles	208	181
Marquette	208	181
Alexandria, La	184	184
San Angelo	179	185
Casper - Riverton	179	186
Parkersburg	175	187
Tuscaloosa	171	188
Lima	169	189
Lafayette, Ind	165	190
Charlottesville	163	191
Cheyenne - Scottsbluff (Sterling)	163	191
Jackson, Tenn	163	191
Meridian	163	191
St. Joseph	163	191
Flagstaff	161	196
Twin Falls	154	197
Hagerstown	137	198
Bend	134	199
Bowling Green	114	200
Anniston	113	201
Mankato	113	201
Laredo	111	203
Zanesville	105	204
Victoria	102	205
Ottumwa - Kirksville	101	206
Helena	91	207
Presque Isle	89	208
North Platte	77	209
Alpena	58	210
Total U.S. ADIs	315,283	

24TH ANNUAL RGI

1990 FAST FOOD SALES

ADI RANKING

ADI	Sales($000)	Rank
Los Angeles	4,420,039	1
New York	3,287,486	2
Chicago	2,212,051	3
San Francisco - Oakland - San Jose	1,922,616	4
Philadelphia	1,555,375	5
Boston	1,504,465	6
Dallas - Ft. Worth	1,500,523	7
Atlanta	1,483,048	8
Washington, D.C.	1,431,780	9
Detroit	1,324,394	10
Seattle - Tacoma	1,071,520	11
Houston	1,060,946	12
Cleveland	1,019,471	13
St. Louis	958,331	14
Minneapolis - St. Paul	898,443	15
Sacramento - Stockton	893,643	16
Miami - Ft. Lauderdale	886,254	17
San Diego	803,810	18
Indianapolis	800,856	19
Tampa - St. Petersburg	786,152	20
Raleigh - Durham	755,962	21
Orlando - Daytona Beach - Melbourne	728,871	22
Phoenix	727,896	23
Baltimore	725,940	24
Denver	714,578	25
Pittsburgh	657,659	26
Kansas City	656,226	27
Portland, Ore.	653,125	28
Charlotte	638,379	29
Cincinnati	617,690	30
Hartford - New Haven	599,219	31
Columbus, Ohio	592,453	32
Nashville	581,817	33
Norfolk - Portsmouth - Newport News - Hampton	539,221	34
San Antonio	538,423	35
Milwaukee	532,262	36
Greenville - Spartanburg - Asheville	520,827	37
New Orleans	511,503	38
Louisville	505,204	39
Salt Lake City	477,603	40
Jacksonville	464,987	41
Oklahoma City	454,908	42
Dayton	425,43[illegible]	43
Providence - New Bedford	423,095	44
Memphis	409,967	45
Birmingham	408,570	46
Greensboro - Winston-Salem - High Point	407,302	47
Albuquerque	387,787	48
Buffalo	384,839	49
Grand Rapids - Kalamazoo - Battle Creek	366,191	50
Mobile - Pensacola	349,387	51
Wichita - Hutchinson	347,262	52
Tulsa	342,108	53
Palm Springs	340,619	54
Harrisburg - York - Lancaster - Lebanon	332,956	55
Richmond	331,649	56
Austin, Tex.	331,574	57
Charleston - Huntington	327,183	58
West Palm Beach - Ft. Pierce - Vero Beach	322,864	59
Knoxville	322,510	60
Little Rock	319,584	61
Lexington	315,184	62
Fresno - Visalia	313,341	63
Portland - Poland Spring	299,104	64
Wilkes-Barre - Scranton	297,586	65
Albany - Schenectady - Troy	295,572	66
Toledo	289,168	67
Flint - Saginaw - Bay City	283,008	68
Roanoke - Lynchburg	265,388	69
Huntsville - Decatur - Florence	265,023	70
Chattanooga	259,504	71
Springfield - Decatur - Champaign	253,643	72
Omaha	253,099	73
Rochester, N.Y.	252,226	74
Las Vegas	239,378	75
Shreveport - Texarkana	236,471	76
Columbia, S.C.	235,632	77
Green Bay - Appleton	233,244	78
Des Moines	231,233	79
South Bend - Elkhart	228,838	80
Paducah - Cape Girardeau - Harrisburg - Marion	227,224	81
Syracuse	224,878	82
Savannah	218,053	83
Springfield, Mo.	214,537	84
Spokane	213,572	85
Davenport - Rock Island - Moline	205,099	86
Cedar Rapids - Waterloo - Dubuque	202,604	87
Tucson	199,019	88
Bristol - Kingsport - Johnson City	196,407	89
Jackson, Miss.	194,724	90
Greenville - New Bern - Washington	187,061	91
Evansville	186,765	92
Santa Barbara - Santa Maria - San Luis Obispo	185,720	93
Madison	181,969	94
Salinas - Monterey	181,726	95
Montgomery - Selma	179,533	96
Charleston, S.C.	179,110	97
Baton Rouge	175,332	98
Ft. Wayne	170,629	99
Ft. Myers - Naples	169,726	100
Florence - Myrtle Beach	168,897	101
Youngstown	165,857	102
Waco - Temple - Bryan	164,504	103
Springfield, Mass.	164,224	104
Augusta	161,420	105
Bakersfield	160,305	106
Lansing	159,298	107
Peoria - Bloomington	158,660	108
El Paso	156,795	109
Tyler - Longview - Jacksonville	155,012	110
Johnstown - Altoona	153,516	111
Colorado Springs - Pueblo	152,223	112
Lincoln - Hastings - Kearney	147,670	113
Corpus Christi	146,824	114
Eugene	145,759	115
Columbus, Ga.	144,472	116
Macon	142,202	117
Amarillo	137,342	118
Ft. Smith	136,941	119
Fargo	133,218	120
Lafayette, La.	130,780	121
Burlington - Plattsburgh	128,280	122
Tallahassee - Thomasville	128,195	123
Reno	127,266	124
Wilmington	118,877	125
McAllen - Brownsville	118,106	126
Topeka	117,749	127
Salisbury	116,367	128
Wichita Falls - Lawton	114,679	129
Lubbock	113,718	130
Beaumont - Port Arthur	113,392	131
Traverse City - Cadillac	111,551	132
Sioux Falls - Mitchell	110,886	133
Yakima - Pasco - Richland - Kennewick	108,387	134
Monroe - El Dorado	107,830	135
Biloxi - Gulfport - Pascagoula	104,633	136
Columbus - Tupelo	101,353	137
La Crosse - Eau Claire	98,993	138
Boise	98,949	139
Rockford	97,263	140
Columbia - Jefferson City	93,818	141
Chico - Redding	92,897	142
Joplin - Pittsburg	92,708	143
Albany, Ga.	92,618	144
Wheeling - Steubenville	92,066	145
Odessa - Midland	91,870	146
Erie	91,023	147
Medford	90,507	148
Terre Haute	86,963	149
Wausau - Rhinelander	86,409	150
Sioux City	81,180	151
Duluth - Superior	80,977	152
Dothan	78,487	153
Bluefield - Beckley - Oak Hill	78,018	154
Rochester - Mason City - Austin	74,684	155
Abilene - Sweetwater	74,521	156
Minot - Bismarck - Dickinson - Glendive	74,167	157
Sarasota	71,613	158
Utica	71,538	159
Clarksburg - Weston	69,691	160
Bangor	69,477	161
Panama City	68,823	162
Binghamton	68,079	163
Laurel - Hattiesburg	66,067	164
Idaho Falls - Pocatello	65,495	165
Harrisonburg	63,264	166
Quincy - Hannibal	60,249	167
Gainesville	59,898	168
Billings - Hardin	56,208	169
Tuscaloosa	55,212	170
Watertown - Carthage	54,962	171
Lake Charles	54,033	172
Rapid City	52,495	173
Alexandria, La.	51,734	174
Parkersburg	49,278	175
Greenwood - Greenville	49,014	176
Lafayette, Ind.	46,089	177
Grand Junction - Durango	45,934	178
Missoula	44,152	179
Anniston	42,633	180
Charlottesville	41,914	181
Meridian	41,851	182
Elmira	41,458	183
Bowling Green	40,944	184
Jonesboro	39,368	185
Ardmore - Ada	39,246	186
El Centro - Yuma	36,298	187
San Angelo	35,486	188
Jackson, Tenn.	34,328	189
Flagstaff	34,215	190
St. Joseph	34,030	191
Lima	33,834	192
Great Falls	32,700	193
Eureka	31,381	194
Laredo	30,966	195
Butte	30,226	196
Cheyenne - Scottsbluff (Sterling)	29,871	197
Bend	27,279	198
Marquette	27,159	199
Zanesville	26,843	200
Twin Falls	26,417	201
Hagerstown	23,885	202
Casper - Riverton	23,580	203
Victoria	19,296	204
Mankato	17,597	205
Ottumwa - Kirksville	17,515	206
North Platte	13,495	207
Presque Isle	12,634	208
Helena	12,223	209
Alpena	6,691	210
Total U.S. ADIs	67,811,145	

24TH ANNUAL RGI

1990
RESTAURANT SALES

ADI RANKING

ADI	Sales($000)	Rank
New York	7,072,484	1
Los Angeles	6,066,869	2
Boston	3,274,433	3
San Francisco - Oakland - San Jose	3,197,986	4
Chicago	2,979,069	5
Philadelphia	2,435,890	6
Washington, D.C.	1,970,827	7
Seattle - Tacoma	1,708,444	8
Miami - Ft. Lauderdale	1,561,978	9
Detroit	1,502,052	10
Dallas - Ft. Worth	1,388,124	11
Minneapolis - St. Paul	1,302,723	12
Atlanta	1,210,474	13
San Diego	1,103,410	14
Orlando - Daytona Beach - Melbourne	1,103,207	15
Denver	1,081,083	16
Houston	1,064,177	17
Cleveland	1,059,063	18
Sacramento - Stockton	1,045,368	19
Tampa - St. Petersburg	1,032,669	20
Hartford - New Haven	1,024,488	21
Portland, Ore.	916,315	22
Phoenix	876,612	23
Pittsburgh	853,405	24
St. Louis	743,455	25
Milwaukee	739,870	26
Baltimore	738,590	27
Providence - New Bedford	671,860	28
West Palm Beach - Ft. Pierce - Vero Beach	654,707	29
Cincinnati	638,750	30
Raleigh - Durham	595,418	31
Kansas City	546,323	32
Indianapolis	535,197	33
Albany - Schenectady - Troy	526,434	34
Portland - Poland Spring	502,960	35
New Orleans	497,266	36
Buffalo	495,318	37
Columbus, Ohio	487,809	38
Norfolk - Portsmouth - Newport News - Hampton	481,433	39
Harrisburg - York - Lancaster - Lebanon	480,431	40
Grand Rapids - Kalamazoo - Battle Creek	474,200	41
Nashville	459,746	42
Charlotte	452,026	43
San Antonio	425,528	44
Albuquerque	395,788	45
Salt Lake City	393,730	46
Palm Springs	392,[illegible]34	47
Jacksonville	376,538	48
Wilkes-Barre - Scranton	369,721	49
Greenville - Spartanburg - Asheville	367,551	50
Fresno - Visalia	356,480	51
Green Bay - Appleton	355,502	52
Oklahoma City	342,065	53
Flint - Saginaw - Bay City	334,594	54
Santa Barbara - Santa Maria - San Luis Obispo	325,707	55
Louisville	321,101	56
Syracuse	319,766	57
Rochester, N.Y.	319,709	58
Greensboro - Winston-Salem - High Point	318,717	59
Dayton	315,954	60
Salinas - Monterey	309,520	61
Ft. Myers - Naples	308,822	62
Austin, Tex.	306,824	63
Toledo	299,261	64
Springfield, Mass.	291,830	65
Richmond	285,661	66
Memphis	283,313	67
Madison	281,284	68
Mobile - Pensacola	275,824	69
Burlington - Plattsburgh	267,357	70
Knoxville	267,240	71
Omaha	265,967	72
Wichita - Hutchinson	262,536	73
Des Moines	258,898	74
Spokane	255,341	75
Las Vegas	251,156	76
Springfield - Decatur - Champaign	247,397	77
Tulsa	236,912	78
Roanoke - Lynchburg	231,156	79
Birmingham	226,333	80
Tucson	225,351	81
Cedar Rapids - Waterloo - Dubuque	224,475	82
Little Rock	213,756	83
Johnstown - Altoona	200,554	84
Charleston, S.C.	199,660	85
Sarasota	197,265	86
Davenport - Rock Island - Moline	194,939	87
Eugene	192,111	88
Lexington	191,583	89
South Bend - Elkhart	188,722	90
Columbia, S.C.	185,742	91
Charleston - Huntington	183,936	92
Lansing	179,319	93
Colorado Springs - Pueblo	178,169	94
Ft. Wayne	171,923	95
Sioux Falls - Mitchell	163,932	96
Youngstown	163,486	97
Yakima - Pasco - Richland - Kennewick	162,452	98
Springfield, Mo.	161,373	99
Shreveport - Texarkana	159,438	100
Savannah	156,072	101
La Crosse - Eau Claire	154,198	102
Chattanooga	151,873	103
Traverse City - Cadillac	150,725	104
Wausau - Rhinelander	150,553	105
Lincoln - Hastings - Kearney	149,753	106
Salisbury	149,175	107
Peoria - Bloomington	147,201	108
Fargo	146,526	109
Reno	145,098	110
Florence - Myrtle Beach	145,065	111
Paducah - Cape Girardeau - Harrisburg - Marion	138,774	112
El Paso	137,100	113
Bakersfield	135,386	114
Waco - Temple - Bryan	133,406	115
Tallahassee - Thomasville	132,325	116
Chico - Redding	131,703	117
Utica	128,386	118
Evansville	125,178	119
Duluth - Superior	124,629	120
Greenville - New Bern - Washington	124,342	121
Medford	121,800	122
Erie	120,306	123
Jackson, Miss.	119,508	124
Baton Rouge	119,365	125
Binghamton	117,407	126
Huntsville - Decatur - Florence	114,552	127
Tyler - Longview - Jacksonville	114,348	128
Bangor	110,252	129
Boise	108,042	130
Augusta	105,277	131
Amarillo	103,850	132
Rockford	101,326	133
Rochester - Mason City - Austin	100,480	134
McAllen - Brownsville	98,884	135
Bristol - Kingsport - Johnson City	98,559	136
Corpus Christi	95,712	137
Panama City	95,366	138
Macon	94,773	139
Sioux City	89,393	140
Lubbock	88,030	141
Gainesville	86,041	142
Columbus, Ga.	84,255	143
Lafayette, La.	83,907	144
Topeka	83,492	145
Ft. Smith	82,738	146
Wichita Falls - Lawton	82,602	147
Wilmington	81,028	148
Beaumont - Port Arthur	79,313	149
Montgomery - Selma	79,141	150
Billings - Hardin	78,685	151
Minot - Bismarck - Dickinson - Glendive	77,521	152
Grand Junction - Durango	76,546	153
Idaho Falls - Pocatello	73,568	154
Watertown - Carthage	73,444	155
Rapid City	73,153	156
Columbia - Jefferson City	72,050	157
Joplin - Pittsburg	70,014	158
Odessa - Midland	69,023	159
Monroe - El Dorado	67,055	160
Missoula	64,932	161
Elmira	63,456	162
Terre Haute	62,018	163
Wheeling - Steubenville	61,258	164
Albany, Ga.	54,522	165
Abilene - Sweetwater	53,105	166
El Centro - Yuma	52,924	167
Biloxi - Gulfport - Pascagoula	52,832	168
Eureka	49,026	169
Flagstaff	46,704	170
Quincy - Hannibal	46,173	171
Great Falls	45,828	172
Butte	44,464	173
Harrisonburg	44,341	174
Charlottesville	42,217	175
Columbus - Tupelo	41,567	176
Bluefield - Beckley - Oak Hill	40,669	177
Lake Charles	38,403	178
Dothan	38,277	179
Marquette	36,988	180
Cheyenne - Scottsbluff (Sterling)	36,909	181
Bend	35,880	182
Clarksburg - Weston	34,544	183
Lafayette, Ind.	34,359	184
Alexandria, La.	34,052	185
Casper - Riverton	32,387	186
Lima	30,903	187
Twin Falls	28,034	188
San Angelo	27,895	189
St. Joseph	27,663	190
Laurel - Hattiesburg	27,303	191
Tuscaloosa	27,072	192
Mankato	26,763	193
Laredo	25,947	194
Parkersburg	25,876	195
Hagerstown	25,377	196
Jackson, Tenn.	22,856	197
Zanesville	21,760	198
Ardmore - Ada	21,655	199
Jonesboro	21,078	200
Anniston	20,905	201
Greenwood - Greenville	20,566	202
Presque Isle	20,047	203
Bowling Green	18,201	204
Helena	17,978	205
Meridian	16,940	206
Victoria	16,394	207
Ottumwa - Kirksville	14,276	208
North Platte	13,940	209
Alpena	9,041	210
Total U.S. ADIs	80,998,895	

24TH ANNUAL RAI

1990
RESTAURANT ACTIVITY INDEX

ADI RANKING

ADI	RAI	Rank
Anniston	151	1
Salisbury	145	2
San Francisco - Oakland - San Jose	135	3
Los Angeles	131	4
San Diego	129	5
Sarasota	128	6
Raleigh - Durham	127	7
Atlanta	125	8
Lafayette, Ind	124	9
Grand Junction - Durango	123	10
Indianapolis	123	10
Salinas - Monterey	123	10
Orlando - Daytona Beach - Melbourne	122	13
Detroit	121	14
Washington, D.C.	119	15
Chicago	117	16
Miami - Ft. Lauderdale	117	16
Columbus, Ohio	116	18
Boston	115	19
Portland, Ore	113	20
Lansing	111	21
Tuscaloosa	111	21
Santa Barbara - Santa Maria - San Luis Obispo	110	23
Seattle - Tacoma	110	23
Springfield - Decatur - Champaign	110	23
Jacksonville	109	26
Milwaukee	109	26
Flagstaff	108	28
St. Louis	108	28
Denver	107	30
Nashville	107	30
West Palm Beach - Ft. Pierce - Vero Beach	107	30
Florence - Myrtle Beach	106	33
Baltimore	105	34
Minneapolis - St. Paul	105	34
Providence - New Bedford	105	34
Biloxi - Gulfport - Pascagoula	104	37
Cincinnati	104	37
Ft. Wayne	104	37
Madison	104	37
Springfield, Mass	104	37
Colorado Springs - Pueblo	103	42
Eugene	103	42
Louisville	103	42
Kansas City	102	45
Mobile - Pensacola	102	45
Albuquerque	101	47
Dayton	101	47
Ft. Myers - Naples	101	47
Grand Rapids - Kalamazoo - Battle Creek	101	47
La Crosse - Eau Claire	101	47
North Platte	101	47
Palm Springs	101	47
Peoria - Bloomington	101	47
South Bend - Elkhart	101	47
Greensboro - Winston-Salem - High Point	100	56
Hartford - New Haven	100	56
Twin Falls	100	56
Lexington	99	59
Sacramento - Stockton	99	59
Bend	98	61
Charleston, S.C.	97	62
Columbia, S.C.	97	62
Dallas - Ft. Worth	97	62
Knoxville	97	62
New York	97	62
Omaha	97	62
Savannah	97	62
Toledo	97	62
Zanesville	97	62
Cheyenne - Scottsbluff (Sterling)	96	71
Cleveland	96	71
Las Vegas	96	71
Norfolk - Portsmouth - Newport News - Hampton	96	71
Topeka	96	71
Charlotte	95	76
Green Bay - Appleton	95	76
Portland - Poland Spring	95	76
Tampa - St. Petersburg	95	76
Birmingham	94	80
Oklahoma City	94	80
Wichita - Hutchinson	94	80
Wichita Falls - Lawton	94	80
Butte	93	84
Lima	93	84
Erie	92	86
Huntsville - Decatur - Florence	92	86
Harrisburg - York - Lancaster - Lebanon	91	88
Memphis	91	88
San Antonio	91	88
Utica	91	88
Wausau - Rhinelander	91	88
Charlottesville	90	93
Flint - Saginaw - Bay City	90	93
Lincoln - Hastings - Kearney	90	93
Medford	90	93
Pittsburgh	90	93
Reno	90	93
Cedar Rapids - Waterloo - Dubuque	89	99
Macon	89	99
Syracuse	89	99
Tucson	89	99
Wilmington	89	99
Bakersfield	88	104
Chattanooga	88	104
Rapid City	88	104
Bowling Green	87	107
Columbia - Jefferson City	87	107
Davenport - Rock Island - Moline	87	107
Dothan	87	107
Gainesville	87	107
Philadelphia	87	107
Phoenix	87	107
St. Joseph	87	107
Abilene - Sweetwater	86	115
Austin, Tex	86	115
Columbus, Ga	86	115
Jackson, Miss	86	115
Montgomery - Selma	86	115
Panama City	86	115
Youngstown	86	115
Augusta	85	122
Boise	85	122
Rockford	85	122
Albany - Schenectady - Troy	84	125
Greenville - Spartanburg - Asheville	84	125
Missoula	84	125
Richmond	84	125
San Angelo	84	125
Sioux Falls - Mitchell	84	125
Joplin - Pittsburg	83	131
Parkersburg	83	131
Amarillo	82	133
Buffalo	82	133
Eureka	82	133
Fargo	82	133
Fresno - Visalia	82	133
Rochester - Mason City - Austin	82	133
Springfield, Mo	82	133
Watertown - Carthage	82	133
Billings - Hardin	81	141
Burlington - Plattsburgh	81	141
Chico - Redding	81	141
Greenville - New Bern - Washington	81	141
New Orleans	81	141
Rochester, N.Y.	81	141
Salt Lake City	81	141
Evansville	80	148
Houston	80	148
Lubbock	80	148
Roanoke - Lynchburg	80	148
Tallahassee - Thomasville	80	148
El Paso	79	153
Harrisonburg	79	153
Terre Haute	79	153
Minot - Bismarck - Dickinson - Glendive	78	156
Spokane	78	156
Tulsa	78	156
Wilkes-Barre - Scranton	78	156
Yakima - Pasco - Richland - Kennewick	78	156
Duluth - Superior	77	161
Tyler - Longview - Jacksonville	77	161
Great Falls	76	163
Helena	76	163
Paducah - Cape Girardeau - Harrisburg - Marion	76	163
Beaumont - Port Arthur	75	166
Casper - Riverton	75	166
Des Moines	75	166
Idaho Falls - Pocatello	75	166
Little Rock	75	166
Traverse City - Cadillac	75	166
Elmira	73	172
Johnstown - Altoona	73	172
Waco - Temple - Bryan	73	172
Binghamton	72	175
Ft. Smith	72	175
Marquette	72	175
Charleston - Huntington	71	178
Jackson, Tenn	71	178
Wheeling - Steubenville	71	178
Quincy - Hannibal	70	181
Sioux City	70	181
Laurel - Hattiesburg	69	183
Bristol - Kingsport - Johnson City	68	184
Corpus Christi	68	184
Hagerstown	68	184
El Centro - Yuma	66	187
Laredo	65	188
Ottumwa - Kirksville	65	188
Shreveport - Texarkana	65	188
Alpena	64	191
Columbus - Tupelo	63	192
Bangor	62	193
Clarksburg - Weston	62	193
Meridian	62	193
Victoria	62	193
Mankato	61	197
McAllen - Brownsville	61	197
Odessa - Midland	60	199
Alexandria, La	59	200
Greenwood - Greenville	57	201
Lafayette, La	56	202
Lake Charles	56	202
Albany, Ga	55	204
Ardmore - Ada	55	204
Baton Rouge	55	204
Jonesboro	55	204
Monroe - El Dorado	55	204
Bluefield - Beckley - Oak Hill	51	209
Presque Isle	50	210
Total U.S. ADIs	100	

24TH ANNUAL RGI

1990
RESTAURANT GROWTH INDEX

ADI RANKING

ADI	RGI	Rank
Las Vegas	420	1
Reno	274	2
Philadelphia	134	3
Washington, D.C.	128	4
Houston	121	5
Baton Rouge	120	6
Baltimore	118	7
Orlando - Daytona Beach - Melbourne	118	7
Harrisburg - York - Lancaster - Lebanon	115	9
Dallas - Ft. Worth	113	10
Tallahassee - Thomasville	113	10
Chicago	112	12
Los Angeles	112	12
San Diego	112	12
Jacksonville	111	15
Minneapolis - St. Paul	111	15
New York	110	17
Palm Springs	110	17
Richmond	110	17
San Francisco - Oakland - San Jose	109	20
Augusta	108	21
Rochester, N.Y.	108	21
Boston	107	23
Detroit	107	23
Miami - Ft. Lauderdale	107	23
Beaumont - Port Arthur	106	26
Kansas City	106	26
Milwaukee	106	26
Atlanta	105	29
Charlottesville	105	29
Hagerstown	105	29
Jackson, Miss.	105	29
Memphis	105	29
Phoenix	105	29
Hartford - New Haven	104	35
Lake Charles	104	35
Lansing	104	35
Macon	104	35
Nashville	104	35
New Orleans	104	35
West Palm Beach - Ft. Pierce - Vero Beach	104	35
Alexandria, La.	103	42
Cincinnati	102	43
Columbia, S.C.	102	43
Montgomery - Selma	102	43
Roanoke - Lynchburg	102	43
St. Louis	102	43
Bakersfield	101	48
Charleston, S.C.	101	48
Flagstaff	101	48
Grand Junction - Durango	101	48
Lafayette, La.	101	48
Twin Falls	101	48
Birmingham	100	54
Tampa - St. Petersburg	100	54
Anniston	99	56
Columbus, Ohio	99	56
Louisville	99	56
Raleigh - Durham	99	56
Savannah	99	56
Bristol - Kingsport - Johnson City	98	61
Harrisonburg	98	61
Lexington	98	61
Salt Lake City	98	61
Seattle - Tacoma	98	61
Bowling Green	97	66
Columbus, Ga.	97	66
Huntsville - Decatur - Florence	97	66
Knoxville	97	66
Lafayette, Ind.	97	66
Norfolk - Portsmouth - Newport News - Hampton	97	66
Binghamton	96	72
Charlotte	96	72
Grand Rapids - Kalamazoo - Battle Creek	96	72
Mobile - Pensacola	96	72
Gainesville	95	76
Albany, Ga.	94	77
Meridian	94	77
Greensboro - Winston-Salem - High Point	93	79
Biloxi - Gulfport - Pascagoula	92	80
Cleveland	92	80
Columbus - Tupelo	92	80
Dayton	92	80
Rockford	92	80
Yakima - Pasco - Richland - Kennewick	92	80
Greenville - Spartanburg - Asheville	91	86
Indianapolis	91	86
Peoria - Bloomington	91	86
Springfield, Mass.	91	86
Denver	90	90
El Paso	90	90
Fresno - Visalia	90	90
Sacramento - Stockton	90	90
Salinas - Monterey	90	90
Shreveport - Texarkana	90	90
Evansville	89	96
Jackson, Tenn.	89	96
Madison	89	96
Pittsburgh	89	96
Portland, Ore.	89	96
Tuscaloosa	89	96
Chattanooga	88	102
Dothan	88	102
Little Rock	88	102
Omaha	88	102
Presque Isle	88	102
Flint - Saginaw - Bay City	87	107
Ft. Wayne	87	107
Laredo	87	107
Monroe - El Dorado	87	107
Parkersburg	87	107
Austin, Tex.	86	112
Bluefield - Beckley - Oak Hill	86	112
Springfield - Decatur - Champaign	86	112
Ft. Myers - Naples	85	115
Syracuse	85	115
Des Moines	84	117
Rochester - Mason City - Austin	84	117
Tucson	84	117
Albany - Schenectady - Troy	83	120
Florence - Myrtle Beach	83	120
Idaho Falls - Pocatello	83	120
Laurel - Hattiesburg	83	120
Albuquerque	82	124
Erie	82	124
Green Bay - Appleton	82	124
Providence - New Bedford	82	124
Santa Barbara - Santa Maria - San Luis Obispo	82	124
Cedar Rapids - Waterloo - Dubuque	81	129
San Antonio	81	129
Casper - Riverton	80	131
Charleston - Huntington	80	131
Columbia - Jefferson City	80	131
El Centro - Yuma	80	131
Greenville - New Bern - Washington	80	131
Burlington - Plattsburgh	79	136
Toledo	79	136
Topeka	79	136
Wheeling - Steubenville	79	136
Colorado Springs - Pueblo	78	140
Davenport - Rock Island - Moline	78	140
Portland - Poland Spring	77	142
St. Joseph	77	142
Spokane	77	142
Boise	76	145
Buffalo	75	146
Cheyenne - Scottsbluff (Sterling)	75	146
Elmira	75	146
Minot - Bismarck - Dickinson - Glendive	75	146
South Bend - Elkhart	75	146
Wilkes-Barre - Scranton	75	146
Ft. Smith	74	152
La Crosse - Eau Claire	74	152
Lincoln - Hastings - Kearney	74	152
McAllen - Brownsville	74	152
Panama City	74	152
Tulsa	74	152
Utica	74	152
Wichita - Hutchinson	74	152
Youngstown	74	152
Billings - Hardin	73	161
Corpus Christi	73	161
Lima	73	161
Sarasota	73	161
Waco - Temple - Bryan	73	161
Jonesboro	72	166
North Platte	72	166
Terre Haute	72	166
Tyler - Longview - Jacksonville	72	166
Greenwood - Greenville	70	170
Eugene	69	171
Johnstown - Altoona	69	171
Rapid City	69	171
Wilmington	69	171
Zanesville	69	171
Chico - Redding	68	176
Fargo	68	176
Paducah - Cape Girardeau - Harrisburg - Marion	68	176
Bangor	67	179
Lubbock	67	179
Wausau - Rhinelander	67	179
Oklahoma City	66	182
Sioux Falls - Mitchell	66	182
Wichita Falls - Lawton	66	182
Helena	65	185
Mankato	65	185
Victoria	65	185
Clarksburg - Weston	64	188
Duluth - Superior	64	188
Great Falls	64	188
Salisbury	64	188
San Angelo	64	188
Springfield, Mo.	64	188
Odessa - Midland	63	194
Bend	62	195
Eureka	62	195
Ottumwa - Kirksville	62	195
Quincy - Hannibal	62	195
Watertown - Carthage	62	195
Amarillo	61	200
Butte	61	200
Sioux City	61	200
Missoula	60	203
Alpena	59	204
Ardmore - Ada	59	204
Abilene - Sweetwater	57	206
Marquette	57	206
Joplin - Pittsburg	54	208
Medford	54	208
Traverse City - Cadillac	51	210
Total U.S. ADIs	100	

24TH ANNUAL RGI

1990
POPULATION PER UNIT

ADI RANKING

ADI	Pop. Per Unit	Rank
Alexandria, La.	1,358	1
Laredo	1,307	2
McAllen - Brownsville	1,241	3
Columbus - Tupelo	1,110	4
Meridian	1,105	5
Monroe - El Dorado	1,103	6
Lake Charles	1,100	7
Palm Springs	1,098	8
Lafayette, La.	1,093	9
Baton Rouge	1,077	10
Bowling Green	1,076	11
Bluefield - Beckley - Oak Hill	1,075	12
Montgomery - Selma	1,069	13
Bristol - Kingsport - Johnson City	1,051	14
Shreveport - Texarkana	1,048	15
El Paso	1,042	16
Augusta	1,033	17
Jackson, Miss.	1,031	18
Anniston	1,028	19
Dothan	1,008	20
Birmingham	1,006	21
Columbus, Ga.	1,001	22
Greenwood - Greenville	998	23
Albany, Ga.	992	24
Laurel - Hattiesburg	992	24
Beaumont - Port Arthur	984	26
Tallahassee - Thomasville	984	26
Memphis	977	28
Charleston - Huntington	975	29
Presque Isle	973	30
Bakersfield	960	31
Macon	959	32
El Centro - Yuma	952	33
Fresno - Visalia	951	34
Greenville - New Bern - Washington	950	35
Las Vegas	941	36
Lexington	938	37
Jackson, Tenn.	921	38
Houston	915	39
Huntsville - Decatur - Florence	914	40
Louisville	908	41
Columbia, S.C.	907	42
Charleston, S.C.	905	43
Waco - Temple - Bryan	905	43
Flint - Saginaw - Bay City	898	45
Knoxville	898	45
Jonesboro	895	47
Salt Lake City	892	48
Hagerstown	891	49
Tuscaloosa	887	50
Lansing	885	51
Nashville	885	51
Mobile - Pensacola	884	53
Baltimore	874	54
Savannah	870	55
Ottumwa - Kirksville	865	56
Little Rock	864	57
Harrisburg - York - Lancaster - Lebanon	862	58
Wheeling - Steubenville	862	58
Roanoke - Lynchburg	861	60
Harrisonburg	859	61
Detroit	858	62
New Orleans	858	62
Tampa - St. Petersburg	853	64
Johnstown - Altoona	850	65
Binghamton	848	66
Parkersburg	848	66
Grand Rapids - Kalamazoo - Battle Creek	847	68
Evansville	845	69
Paducah - Capo Girardeau - Harrisburg - Marion	844	70
Cincinnati	843	71
Biloxi - Gulfport - Pascagoula	842	72
Ardmore - Ada	841	73
Chattanooga	841	73
Minneapolis - St. Paul	840	75
Greenville - Spartanburg - Asheville	839	76
Richmond	838	77
Terre Haute	838	77
Tyler - Longview - Jacksonville	836	79
Philadelphia	834	80
Yakima - Pasco - Richland - Kennewick	833	81
Clarksburg - Weston	828	82
Columbus, Ohio	827	83
Jacksonville	825	84
Tucson	825	84
Columbia - Jefferson City	824	86
Raleigh - Durham	823	87
Pittsburgh	822	88
Dayton	819	89
Phoenix	815	90
Ft. Smith	806	91
Los Angeles	806	91
Norfolk - Portsmouth - Newport News - Hampton	806	91
St. Louis	805	94
San Antonio	805	94
San Diego	805	94
Chicago	803	97
Kansas City	803	97
Dallas - Ft. Worth	801	99
Springfield, Mass.	799	100
Sacramento - Stockton	796	101
Lafayette, Ind.	795	102
Milwaukee	793	103
Cleveland	792	104
Orlando - Daytona Beach - Melbourne	791	105
Rockford	789	106
St. Joseph	786	107
Elmira	783	108
Zanesville	782	109
Rochester, N.Y.	781	110
Greensboro - Winston-Salem - High Point	780	111
West Palm Beach - Ft. Pierce - Vero Beach	780	111
Abilene - Sweetwater	778	113
New York	778	113
Charlotte	776	115
Washington, D.C.	771	116
Youngstown	770	117
Erie	769	118
Albuquerque	767	119
Ft. Wayne	767	119
Ft. Myers - Naples	764	121
Idaho Falls - Pocatello	764	121
Corpus Christi	761	123
Wichita Falls - Lawton	761	123
Wilkes-Barre - Scranton	760	125
Gainesville	755	126
Quincy - Hannibal	755	126
San Angelo	753	128
Panama City	751	129
Indianapolis	749	130
Watertown - Carthage	749	130
Cedar Rapids - Waterloo - Dubuque	748	132
Wilmington	747	133
Atlanta	744	134
Green Bay - Appleton	744	134
Rochester - Mason City - Austin	744	134
Springfield - Decatur - Champaign	744	134
Boise	743	138
Toledo	743	138
La Crosse - Eau Claire	738	140
Spokane	738	140
Tulsa	737	142
Chico - Redding	736	143
Des Moines	736	143
Miami - Ft. Lauderdale	731	145
Reno	731	145
Omaha	729	147
Mankato	728	148
South Bend - Elkhart	728	148
Victoria	728	148
Marquette	727	151
Seattle - Tacoma	725	152
Davenport - Rock Island - Moline	723	153
Hartford - New Haven	723	153
Springfield, Mo.	723	153
Peoria - Bloomington	722	156
Portland, Ore.	718	157
Utica	718	157
Colorado Springs - Pueblo	717	159
Topeka	717	159
Lubbock	716	161
Fargo	714	162
Minot - Bismarck - Dickinson - Glendive	705	163
Alpena	703	164
Syracuse	697	165
Madison	693	166
Austin, Tex.	692	167
Providence - New Bedford	691	168
Boston	690	169
Buffalo	685	170
Sioux City	683	171
Lincoln - Hastings - Kearney	681	172
Salinas - Monterey	674	173
Bangor	673	174
Charlottesville	671	175
Odessa - Midland	671	175
Cheyenne - Scottsbluff (Sterling)	669	177
Eugene	667	178
Wausau - Rhinelander	667	178
Grand Junction - Durango	663	180
Burlington - Plattsburgh	656	181
Sioux Falls - Mitchell	655	182
Lima	650	183
Oklahoma City	649	184
Albany - Schenectady - Troy	647	185
Joplin - Pittsburg	643	186
Rapid City	642	187
Duluth - Superior	638	188
San Francisco - Oakland - San Jose	638	188
Wichita - Hutchinson	636	190
Twin Falls	632	191
Amarillo	630	192
Denver	627	193
Santa Barbara - Santa Maria - San Luis Obispo	622	194
Medford	619	195
Sarasota	615	196
Flagstaff	612	197
Casper - Riverton	611	198
Florence - Myrtle Beach	611	198
Billings - Hardin	609	200
Great Falls	609	200
North Platte	584	202
Portland - Poland Spring	575	203
Traverse City - Cadillac	573	204
Bend	566	205
Missoula	561	206
Eureka	554	207
Butte	541	208
Helena	524	209
Salisbury	462	210
Total U.S. ADIs	790	

24TH ANNUAL RGI

1990
PER CAPITA EATING PLACE SALES

ADI RANKING

ADI	Per Capita Sales	Rank
Salisbury	1.146	1
Sarasota	1.034	2
San Francisco - Oakland - San Jose	982	3
Boston	962	4
Santa Barbara - Santa Maria - San Luis Obispo	896	5
Portland - Poland Spring	894	6
Bend	880	7
Charlottesville	878	8
Grand Junction - Durango	877	9
Flagstaff	875	10
Orlando - Daytona Beach - Melbourne	872	11
Los Angeles	860	12
Seattle - Tacoma	845	13
Washington, D.C.	844	14
Miami - Ft. Lauderdale	835	15
Florence - Myrtle Beach	830	16
West Palm Beach - Ft. Pierce - Vero Beach	824	17
Salinas - Monterey	817	18
San Diego	811	19
Raleigh - Durham	803	20
Atlanta	800	21
Ft. Myers - Naples	797	22
Providence - New Bedford	793	23
Denver	790	24
Portland, Ore	772	25
Austin, Tex	763	26
Hartford - New Haven	754	27
Dallas - Ft. Worth	743	28
Jacksonville	735	29
Springfield, Mass	734	30
Las Vegas	725	31
New Orleans	720	32
Eugene	711	33
Chicago	706	34
Albany - Schenectady - Troy	704	35
Madison	704	35
Panama City	704	35
Gainesville	693	38
Reno	693	38
Cincinnati	692	40
Detroit	688	41
New York	688	41
Tampa - St. Petersburg	683	43
Kansas City	681	44
Phoenix	681	44
Rochester, N.Y.	679	46
Helena	678	47
Milwaukee	678	47
Lafayette, Ind	676	49
St. Louis	676	49
Baltimore	675	51
Charleston, S.C.	671	52
Minneapolis - St. Paul	671	52
Norfolk - Portsmouth - Newport News - Hampton	671	52
Indianapolis	667	55
Sacramento - Stockton	664	56
Syracuse	663	57
Burlington - Plattsburgh	660	58
San Antonio	654	59
Lima	650	60
North Platte	650	60
Medford	649	62
Columbus, Ohio	646	63
Philadelphia	646	63
Cheyenne - Scottsbluff (Sterling)	645	65
Oklahoma City	639	66
Billings - Hardin	638	67
Zanesville	638	67
Greensboro - Winston-Salem - High Point	637	69
Savannah	632	70
Utica	632	70
Springfield - Decatur - Champaign	630	72
Charlotte	629	73
Wichita - Hutchinson	624	74
Missoula	620	75
Louisville	618	76
Houston	617	77
Butte	616	78
Green Bay - Appleton	616	78
Palm Springs	615	80
Lubbock	614	81
Mobile - Pensacola	614	81
Dayton	613	83
Richmond	613	83
Amarillo	611	85
Lexington	611	85
Cleveland	606	87
Harrisburg - York - Lancaster - Lebanon	606	87
Anniston	605	89
Sp[illegible]e	604	90
Columbia, S.C.	603	91
Omaha	603	91
Buffalo	602	93
Tuscaloosa	600	94
Yakima - Pasco - Richland - Kennewick	600	94
Albuquerque	599	96
Nashville	598	97
Twin Falls	596	98
Tulsa	595	99
Peoria - Bloomington	592	100
Toledo	591	101
Biloxi - Gulfport - Pascagoula	588	102
Erie	583	103
Pittsburgh	583	103
Colorado Springs - Pueblo	580	105
Bangor	579	106
Knoxville	578	107
Tucson	578	107
Eureka	577	109
Ft. Wayne	577	109
Traverse City - Cadillac	577	109
Cedar Rapids - Waterloo - Dubuque	576	112
Lansing	576	112
Chico - Redding	575	114
Greenville - Spartanburg - Asheville	574	115
La Crosse - Eau Claire	571	116
Wilmington	571	116
Mankato	570	118
Tyler - Longview - Jacksonville	570	118
Des Moines	569	120
Rapid City	568	121
Wausau - Rhinelander	568	121
South Bend - Elkhart	567	123
Victoria	563	124
Watertown - Carthage	560	125
Huntsville - Decatur - Florence	556	126
Topeka	556	126
Parkersburg	555	128
Bakersfield	554	129
Davenport - Rock Island - Moline	554	129
Wichita Falls - Lawton	551	131
Chattanooga	548	132
Roanoke - Lynchburg	545	133
St. Joseph	542	134
San Angelo	542	134
Boise	540	136
Rochester - Mason City - Austin	540	136
Rockford	540	136
Wilkes-Barre - Scranton	540	136
Corpus Christi	538	140
Augusta	537	141
Birmingham	536	142
Casper - Riverton	536	142
Grand Rapids - Kalamazoo - Battle Creek	535	144
Dothan	534	145
Flint - Saginaw - Bay City	534	145
Tallahassee - Thomasville	527	147
Macon	523	148
Lincoln - Hastings - Kearney	519	149
Binghamton	518	150
Joplin - Pittsburg	518	150
Fresno - Visalia	516	152
Beaumont - Port Arthur	515	153
Elmira	514	154
Bowling Green	513	155
Duluth - Superior	513	155
Salt Lake City	513	155
Youngstown	511	158
Ft. Smith	508	159
Fargo	507	160
Columbus, Ga	506	161
Columbia - Jefferson City	503	162
Little Rock	503	162
Sioux Falls - Mitchell	501	164
Abilene - Sweetwater	499	165
Great Falls	498	166
Evansville	496	167
Springfield, Mo	496	167
Johnstown - Altoona	494	169
Harrisonburg	491	170
Greenville - New Bern - Washington	488	171
Montgomery - Selma	488	171
Waco - Temple - Bryan	488	171
Odessa - Midland	485	174
Memphis	479	175
Lafayette, La	475	176
Lake Charles	475	176
Baton Rouge	470	178
Hagerstown	466	179
Laredo	459	180
Idaho Falls - Pocatello	456	181
Jackson, Miss	453	182
Paducah - Cape Girardeau - Harrisburg - Marion	449	183
Wheeling - Steubenville	448	184
Marquette	447	185
Sioux City	445	186
Charleston - Huntington	444	187
Shreveport - Texarkana	444	187
El Paso	442	189
Minot - Bismarck - Dickinson - Glendive	432	190
El Centro - Yuma	426	191
Albany, Ga	425	192
Monroe - El Dorado	421	193
Bristol - Kingsport - Johnson City	417	194
Jackson, Tenn	413	195
Alpena	407	196
Presque Isle	406	197
Clarksburg - Weston	403	198
Alexandria, La	400	199
Quincy - Hannibal	393	200
Terre Haute	392	201
Laurel - Hattiesburg	386	202
Ardmore - Ada	384	203
Ottumwa - Kirksville	384	203
Bluefield - Beckley - Oak Hill	355	205
McAllen - Brownsville	355	205
Meridian	355	205
Jonesboro	350	208
Columbus - Tupelo	331	209
Greenwood - Greenville	330	210
Total U.S. ADIs	675	

24TH ANNUAL RBI

1990
PER CAPITA FAST FOOD SALES

ADI RANKING

ADI	Per Capita Sales	Rank
Salisbury	468	1
Florence - Myrtle Beach	406	2
Raleigh - Durham	402	3
Atlanta	385	4
Charlottesville	383	5
Jacksonville	374	6
Anniston	367	7
Tuscaloosa	364	8
Bend	360	9
Huntsville - Decatur - Florence	356	10
Indianapolis	354	11
Lafayette, Ind.	351	12
Biloxi - Gulfport - Pascagoula	347	13
Flagstaff	347	13
Austin, Tex.	346	15
Louisville	346	15
Lexington	344	17
Bowling Green	334	18
Savannah	334	18
Parkersburg	332	20
Charlotte	330	21
Kansas City	330	21
Dothan	329	23
San Francisco - Oakland - San Jose	327	24
Zanesville	327	24
Los Angeles	325	26
St. Louis	324	27
Columbus, Ohio	323	28
Chattanooga	322	29
Dallas - Ft. Worth	322	29
Norfolk - Portsmouth - Newport News - Hampton	321	31
Dayton	320	32
San Antonio	319	33
Mobile - Pensacola	315	34
Orlando - Daytona Beach - Melbourne	315	34
Wichita - Hutchinson	315	34
San Diego	314	37
Santa Barbara - Santa Maria - San Luis Obispo	311	38
Montgomery - Selma	310	39
Portland - Poland Spring	310	39
Lima	308	41
Nashville	307	42
New Orleans	307	42
Oklahoma City	307	42
Wilmington	307	42
Amarillo	306	46
Birmingham	306	46
Greensboro - Winston-Salem - High Point	304	48
Greenville - Spartanburg - Asheville	304	48
Cincinnati	303	50
Washington, D.C.	302	51
Las Vegas	301	52
Lubbock	301	52
Grand Junction - Durango	300	54
North Platte	300	54
Seattle - Tacoma	299	56
Tulsa	298	57
Knoxville	294	58
Portland, Ore.	293	59
Corpus Christi	291	60
Topeka	290	61
Columbus, Ga.	289	62
Richmond	288	63
Tyler - Longview - Jacksonville	288	63
Bakersfield	287	65
Reno	287	65
Sacramento - Stockton	287	65
Salinas - Monterey	287	65
Springfield - Decatur - Champaign	287	65
Columbia, S.C.	286	70
Eugene	285	71
Augusta	283	72
Charleston, S.C.	283	72
Detroit	283	72
South Bend - Elkhart	283	72
Macon	282	76
Baltimore	281	77
Ft. Smith	278	78
Providence - New Bedford	277	79
Wichita Falls - Lawton	277	79
Denver	275	81
Cheyenne - Scottsbluff (Sterling)	274	82
Palm Springs	274	82
Phoenix	273	84
Evansville	272	85
Panama City	271	86
Peoria - Bloomington	271	86
Twin Falls	271	86
Cleveland	270	89
Ft. Wayne	270	89
Albuquerque	268	91
Greenville - New Bern - Washington	268	91
Little Rock	268	91
Omaha	268	91
Miami - Ft. Lauderdale	267	95
Tampa - St. Petersburg	267	95
St. Joseph	266	97
Harrisonburg	265	98
Beaumont - Port Arthur	264	99
Chicago	264	99
Toledo	264	99
Boston	263	102
San Angelo	263	102
Charleston - Huntington	262	104
Davenport - Rock Island - Moline	262	104
Houston	262	104
Joplin - Pittsburg	262	104
Paducah - Cape Girardeau - Harrisburg - Marion	262	104
Rochester, N.Y.	262	104
Columbia - Jefferson City	261	110
Ft. Myers - Naples	260	111
Madison	260	111
Roanoke - Lynchburg	260	111
Victoria	260	111
Gainesville	259	115
Medford	259	115
Springfield, Mo.	259	115
Abilene - Sweetwater	258	118
Milwaukee	258	118
Spokane	257	120
Helena	256	121
Salt Lake City	255	122
Lansing	253	123
Sarasota	253	123
West Palm Beach - Ft. Pierce - Vero Beach	253	123
Bristol - Kingsport - Johnson City	252	126
Cedar Rapids - Waterloo - Dubuque	251	127
Clarksburg - Weston	250	128
Billings - Hardin	249	129
Lafayette, La.	249	129
Laurel - Hattiesburg	249	129
Memphis	249	129
Jackson, Miss.	248	133
Tucson	247	134
Albany, Ga.	246	135
Wheeling - Steubenville	246	135
Minneapolis - St. Paul	245	137
Des Moines	243	138
Baton Rouge	242	139
Hartford - New Haven	242	139
Odessa - Midland	242	139
Springfield, Mass.	242	139
Boise	240	143
Lincoln - Hastings - Kearney	240	143
Colorado Springs - Pueblo	239	145
Tallahassee - Thomasville	239	145
Shreveport - Texarkana	238	147
Lake Charles	236	148
Rockford	236	148
Missoula	235	150
Butte	234	151
Syracuse	234	151
Fargo	233	153
Meridian	232	154
Traverse City - Cadillac	232	154
Waco - Temple - Bryan	232	154
Youngstown	231	157
Buffalo	230	158
Flint - Saginaw - Bay City	229	159
Jackson, Tenn.	229	159
Green Bay - Appleton	228	161
Harrisburg - York - Lancaster - Lebanon	228	161
Monroe - El Dorado	226	163
Fresno - Visalia	225	164
Rapid City	225	164
Yakima - Pasco - Richland - Kennewick	225	164
Pittsburgh	223	167
Albany - Schenectady - Troy	222	168
Erie	222	168
Chico - Redding	218	170
Eureka	218	170
Casper - Riverton	217	172
Philadelphia	217	172
Watertown - Carthage	217	172
Wilkes-Barre - Scranton	216	175
Ardmore - Ada	215	176
Bluefield - Beckley - Oak Hill	215	176
Columbus - Tupelo	215	176
Grand Rapids - Kalamazoo - Battle Creek	215	176
Mankato	214	180
Rochester - Mason City - Austin	214	180
Greenwood - Greenville	213	182
Laredo	213	182
Jonesboro	212	184
Terre Haute	211	185
Bangor	209	186
La Crosse - Eau Claire	209	186
Quincy - Hannibal	208	188
Alexandria, La.	207	189
El Paso	206	190
Minot - Bismarck - Dickinson - Glendive	204	191
Idaho Falls - Pocatello	203	192
Ottumwa - Kirksville	200	193
Sioux City	197	194
Wausau - Rhinelander	197	194
Hagerstown	196	196
Burlington - Plattsburgh	194	197
Great Falls	194	197
Sioux Falls - Mitchell	191	199
Utica	190	200
Johnstown - Altoona	189	201
Duluth - Superior	187	202
Marquette	180	203
Elmira	176	204
New York	176	204
El Centro - Yuma	165	206
McAllen - Brownsville	165	206
Alpena	164	208
Binghamton	160	209
Presque Isle	146	210
Total U.S. ADIs	272	

24TH ANNUAL RBI

1990
PER CAPITA RESTAURANT SALES

ADI RANKING

ADI	Per Capita Sales	Rank
Sarasota	698	1
Salisbury	599	2
Boston	572	3
Santa Barbara - Santa Maria - San Luis Obispo	546	4
San Francisco - Oakland - San Jose	544	5
Portland - Poland Spring	521	6
West Palm Beach - Ft. Pierce - Vero Beach	512	7
Grand Junction - Durango	500	8
Salinas - Monterey	488	9
Orlando - Daytona Beach - Melbourne	477	10
Seattle - Tacoma	477	10
Flagstaff	474	12
Ft. Myers - Naples	474	12
Bend	473	14
Miami - Ft. Lauderdale	470	15
Los Angeles	446	16
Providence - New Bedford	439	17
San Diego	431	18
Springfield, Mass	431	18
Denver	416	20
Washington, D.C	415	21
Hartford - New Haven	414	22
Portland, Ore	412	23
Burlington - Plattsburgh	405	24
Madison	403	25
Albany - Schenectady - Troy	396	26
Charlottesville	386	27
New York	379	28
Helena	377	29
Eugene	376	30
Panama City	376	30
Gainesville	372	32
Milwaukee	358	33
Chicago	355	34
Minneapolis - St. Paul	355	34
Tampa - St. Petersburg	350	36
Billings - Hardin	349	37
Florence - Myrtle Beach	349	37
Medford	348	39
Green Bay - Appleton	347	40
Missoula	345	41
Butte	344	42
Wausau - Rhinelander	343	43
Eureka	340	44
Utica	340	44
Philadelphia	339	46
Cheyenne - Scottsbluff (Sterling)	338	47
Yakima - Pasco - Richland - Kennewick	337	48
Sacramento - Stockton	336	49
Rochester, N.Y.	332	50
Syracuse	332	50
Bangor	331	52
Phoenix	329	53
Harrisburg - York - Lancaster - Lebanon	328	54
Reno	327	55
La Crosse - Eau Claire	326	56
Mankato	325	57
Detroit	321	58
Austin, Tex	320	59
Las Vegas	316	60
Palm Springs	316	60
Raleigh - Durham	316	60
Charleston, S.C	315	63
Atlanta	314	64
Traverse City - Cadillac	314	64
Cincinnati	313	66
Rapid City	313	6[illegible]
Chico - Redding	310	68
North Platte	310	68
Spokane	307	70
Jacksonville	303	71
New Orleans	299	72
Casper - Riverton	298	73
Dallas - Ft. Worth	298	73
Buffalo	296	75
Erie	293	76
Watertown - Carthage	290	77
Pittsburgh	289	78
Rochester - Mason City - Austin	288	79
Twin Falls	288	79
Duluth - Superior	287	81
Baltimore	286	82
Norfolk - Portsmouth - Newport News - Hampton	286	82
Lansing	285	84
Sioux Falls - Mitchell	282	85
Lima	281	86
Omaha	281	86
Cleveland	280	88
Colorado Springs - Pueblo	280	88
Springfield - Decatur - Champaign	280	88
Grand Rapids - Kalamazoo - Battle Creek	279	91
Tucson	279	91
Cedar Rapids - Waterloo - Dubuque	278	93
Binghamton	276	94
Kansas City	275	95
Albuquerque	274	96
Toledo	273	97
Des Moines	272	98
Ft. Wayne	272	98
Great Falls	272	98
Flint - Saginaw - Bay City	271	101
Elmira	269	102
Wilkes Barre - Scranton	269	102
Columbus, Ohio	266	104
Zanesville	265	105
Houston	263	106
Boise	262	107
Lafayette, Ind	262	107
Fargo	257	109
Fresno - Visalia	256	110
St. Louis	252	111
San Antonio	252	111
Peoria - Bloomington	251	113
Davenport - Rock Island - Moline	249	114
Mobile - Pensacola	249	114
Richmond	248	116
Johnstown - Altoona	247	117
Tallahassee - Thomasville	247	117
Rockford	246	119
Knoxville	244	120
Marquette	244	120
Lincoln - Hastings - Kearney	243	122
Nashville	243	122
Bakersfield	242	124
El Centro - Yuma	241	125
Savannah	239	126
Dayton	238	127
Greensboro - Winston-Salem - High Point	238	127
Wichita - Hutchinson	238	127
Indianapolis	237	130
Charlotte	233	131
Lubbock	233	131
South Bend - Elkhart	233	131
Amarillo	232	134
Oklahoma City	231	135
Presque Isle	231	135
Idaho Falls - Pocatello	228	137
Roanoke - Lynchburg	227	138
Youngstown	227	138
Columbia, S.C	226	140
Alpena	222	141
Victoria	221	142
Louisville	220	143
Sioux City	217	144
St. Joseph	216	145
Greenville - Spartanburg - Asheville	215	146
Minot - Bismarck - Dickinson - Glendive	213	147
Tyler - Longview - Jacksonville	212	148
Salt Lake City	210	149
Lexington	209	150
Wilmington	209	150
Hagerstown	208	152
San Angelo	207	153
Topeka	206	154
Tulsa	206	154
Columbia - Jefferson City	200	156
Wichita Falls - Lawton	200	156
Joplin - Pittsburg	198	158
Springfield, Mo	195	159
Corpus Christi	190	160
Chattanooga	189	161
Macon	188	162
Waco - Temple - Bryan	188	162
Harrisonburg	186	164
Abilene - Sweetwater	184	165
Augusta	184	165
Beaumont - Port Arthur	184	165
Evansville	182	168
Odessa - Midland	182	168
Anniston	180	170
El Paso	180	170
Laredo	179	172
Little Rock	179	172
Tuscaloosa	179	172
Greenville - New Bern - Washington	178	175
Biloxi - Gulfport - Pascagoula	175	176
Parkersburg	174	177
Memphis	172	178
Birmingham	170	179
Columbus, Ga	168	180
Ft. Smith	168	180
Lake Charles	168	180
Baton Rouge	164	183
Wheeling - Steubenville	164	183
Ottumwa - Kirksville	163	185
Dothan	160	186
Lafayette, La	160	186
Paducah - Cape Girardeau - Harrisburg - Marion	160	186
Quincy - Hannibal	160	186
Shreveport - Texarkana	160	186
Huntsville - Decatur - Florence	154	191
Jackson, Miss	152	192
Jackson, Tenn	152	192
Terre Haute	151	194
Bowling Green	148	195
Charleston - Huntington	147	196
Albany, Ga	145	197
Monroe - El Dorado	141	198
McAllen - Brownsville	138	199
Montgomery - Selma	137	200
Alexandria, La	136	201
Bristol - Kingsport - Johnson City	127	202
Clarksburg - Weston	124	203
Ardmore - Ada	119	204
Jonesboro	113	205
Bluefield - Beckley - Oak Hill	112	206
Laurel - Hattiesburg	103	207
Meridian	94	208
Greenwood - Greenville	89	209
Columbus - Tupelo	88	210
Total U.S. ADIs	325	

C1200-5

RB
RESTAURANT BUSINESS

OCTO
A BIL

Wayne C
Chairman a

****************** 3-DIGIT 208
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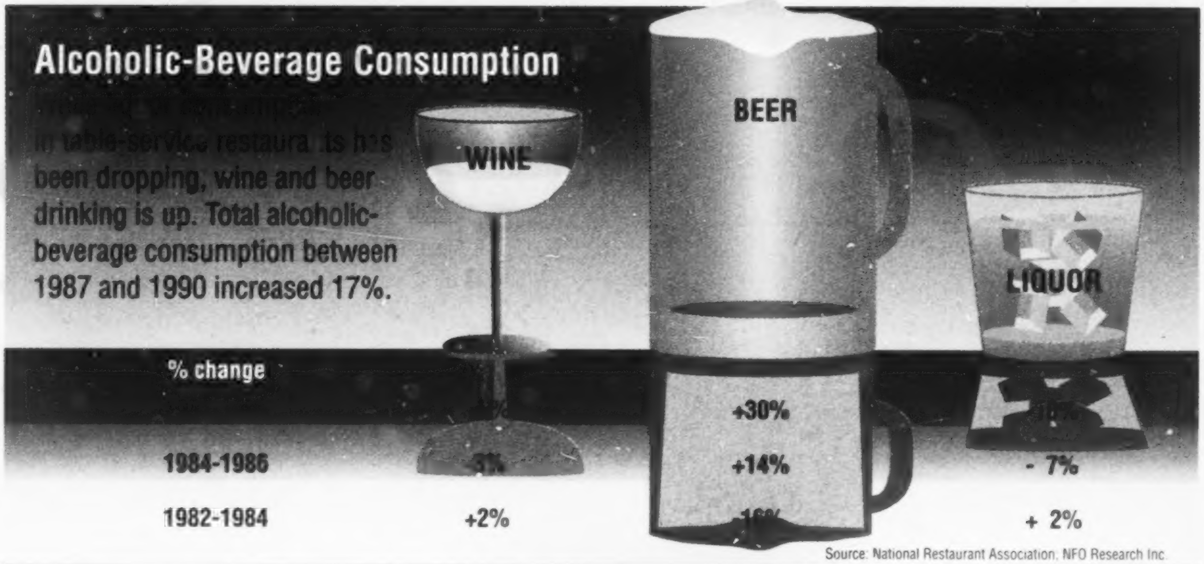
Company of the Year

THE HARD FACTS SHAPING OUR INDUSTRY

BUSINESS BAROMETER

Alcoholic-Beverage Consumption

[illegible] in table-service restaurants has been dropping, wine and beer drinking is up. Total alcoholic-beverage consumption between 1987 and 1990 increased 17%.

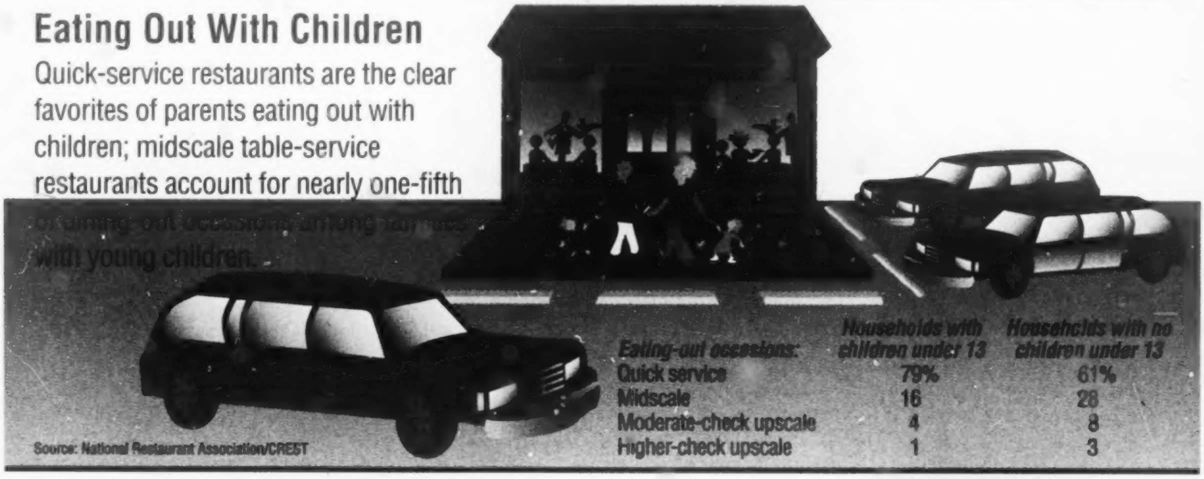


% change	Wine	Beer	Liquor
[illegible]	[illegible]	+30%	-16%
1984-1986	-3%	+14%	- 7%
1982-1984	+2%	-16%	+ 2%

Source: National Restaurant Association; NFO Research Inc.

Eating Out With Children

Quick-service restaurants are the clear favorites of parents eating out with children; midscale table-service restaurants account for nearly one-fifth of dining-out occasions among families with young children.



Eating-out occasions:	*Households with children under 13*	*Households with no children under 13*
Quick service	79%	61%
Midscale	16	28
Moderate-check upscale	4	8
Higher-check upscale	1	3

Source: National Restaurant Association/CREST

Americans' Favorite Foods

In a recent Gallup Poll, a random sample of American adults were asked, "What is your favorite food?" Chicken and steak headed the list, followed by pasta and pizza (a tie).

Top 10 "favorite foods"	
Chicken	10.0%
Steak	9.4%
Pasta	6.9%
Pizza	6.9%
Vegetables	4.9%
Fruit	4.4%
Meat	3.0%
Fish	2.8%
Bread	2.4%
Seafood	2.0%

Charts by Peter K. Niceberg

RB CONTENTS

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COVER STORY:
Wayne Calloway,
chairman and CEO
of PepsiCo, RB's
Company of the
Year.
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COVER STORY

COMPANY OF THE YEAR PEPSICO. Because of its track record of double-digit growth with three major chains, *RB* honors PepsiCo as its 1991 Company of the Year. Pizza Hut, Taco Bell, and KFC are autonomous divisions, but there's also a corporate vision at work **129**

FEATURES

INDEPENDENT STAR CRIOLLA'S. On the Redneck Riviera in the Florida Panhandle, Johnny Earles was just honored with a Golden Spoon award..**102**

INDEPENDENT STAR AL FORNO/LUCKY'S. Husband-and-wife team Johanne Killeen and George Germon developed a pair of restaurants with near-cult status **108**

GROWTH SUBWAY. The fast-growing sandwich chain is using its brand recognition to develop the noncommercial market...**118**

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Cover photograph by Reuven Kopitchinski.

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COVER STORY THE LEGAL JUNGLE. The costs of workman's compensation are skyrocketing. Neoprohibitionists are clamoring for lawmakers to implement DWI enforcement. Mandated health insurance options loom as an expensive headache. Social security and unemployment taxes on tips are putting the squeeze on profits. What's a restaurateur to do? This article covers all of these issues in-depth and will offer operators solutions for getting through the mire of legal mumbo-jumbo and how to cope.

MARKET SEGMENT REPORT FOOD-TO-GO. The range of menu choices keeps expanding, especially in delivery where major chicken chains, Chinese delivery enterprises, and other contenders are joining the picture. Third-party delivery companies are continuing to grow. Meanwhile, the working public is eating more often at their desks; one of the fastest-expanding markets for take-out and delivery is the office lunch.

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BK Hot Line Gets Results

Burger King CEO Barry Gibbons takes a turn on the chain's consumer hot line, which gets 4,000 calls a day.

At Burger King, customers no longer have to ask for ketchup or mustard. It's now company policy for employees to automatically hand out condiments with every order.

The new policy is in response to complaints the Miami-based chain received on a toll-free consumer response line introduced two years ago. Phone operators man the line around-the-clock, fielding an estimated 4,000 calls a day—approximately 38% from dissatisfied customers.

"We can resolve 98% of the complaints while the customers are on the phone, so we feel like we're recapturing sales we might have lost to another chain," says Michael Evans, a company spokesman.

Burger King obviously takes the calls seriously. For example, consumer feedback was one reason the chain reduced the calories in its BK Broiler and started cooking french fries in vegetable oil. It's also a key reason the chain now uses recycled bags in all its restaurants.

"When we tested the bags in 50 stores, positive calls were coming in so fast that we started using the bags chainwide within six weeks," said Evans. "A national rollout like that would normally take a few months."

Negative calls have prevented national rollouts, as well. For example, hot-line callers responded with mixed feelings towards a credit-card test in Tampa, FL, units, so Burger King executives decided not to introduce the program nationwide.

-Don Nichols

THE IHM&R SHOW The 76th annual Intl. Hotel/Motel & Restaurant Show will be held Nov. 9-12 at the Jacob Javits Center in New York City. New hospitality products will be showcased; Canada will be the featured "guest nation."

Sales Flat, Net Up (Huh?)

Due in part to new strategic food- and labor-cost saving techniques, Dallas-based Southwest Cafes Inc. doubled its net income for the fourth quarter in fiscal 199' from 1990's $226,000—even though the company's sales remained flat.

Specification changes and a new menu and management system accounted for half of the 1.5% food-cost decline. According to chief financial officer Gary W. Coder, lower ingredient costs (already on the rise again) accounted for the rest. Cheese prices, for example, hit a 12-year low of $1.26 per pound, saving the parent of more than 90 Tex-Mex restaurants $420,000 last year.

To control labor costs, the company changed the way it measures employees and began scheduling according to computer-program recommendations. "We shifted measuring labor management performance from reporting labor as a percentage of sales to managing labor as a cost per guest," Coder explains. "In other words, we track the number of guests per labor hour or the number of minutes per guest. This shifted the corporate mentality to managing on a per-guest level."

Combining this thinking with a computer scheduling system that was installed in half of company restaurants at a cost of $10,000 per store, Southwest Cafes reschedules every employee every day.

The effort has eliminated waste by using 7% to 12% less hours than in previous years. Total labor costs decreased 1.5%.

As an additional benefit, units can use the program to predict traffic up to six months in advance, allowing managers to make changes before predicted profit-margin thinnings occur.

-Rona Feldman

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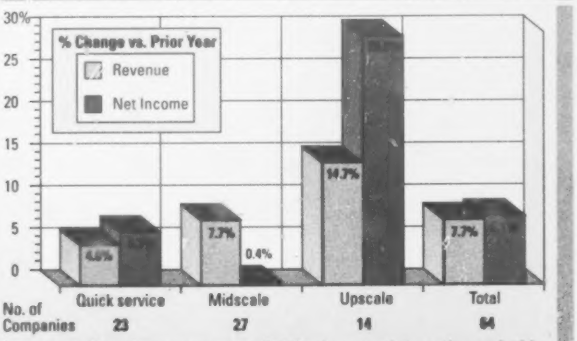
Public Restaurant Companies
2nd Quarter 1991



Revenue and net income were up slightly at most quick service and midscale restaurant chains during the second quarter. Thanks to 50%+ increases in net income by Chili's, Ark, and Morrison's Specialty Restaurants, net income rose sharply for the upscale segment.

SOURCE: Technomic Inc.

CHART BY SHAR FANG

FAMILY

MARKET SEGMENT REPORT

The focus is on strengthening existing units.

By Ralph Raffio

In the throes of a national recession, the nation's leading family restaurants are doing what they can to stay a step or two ahead of the competition. Unfortunately, for a category as broadly based as this one is, competition for the family dining-out dollar can be vast and—in the case of rival fast food especially—even quite ruthless. Family dining is, after all, largely driven by value. And there's nary a restaurant company around these days that isn't doing its best to capture family diners by delivering as much value as possible.

Having shown little growth recently either in units or in market share, practically all the focus in this market segment is now being devoted to strengthening existing operations. Though there is indeed some new unit development in evidence, most notably at Shoney's Restaurants and Cracker Barrel Old Country Stores, it has become increasingly apparent that menu development, marketing, and good service are the real keys to family restaurant operators' plans, which they hope will support them well throughout the coming decade.

Country Kitchen is promoting its Sweet Memories line. Priced at $1.99, the desserts mix name brand snacks with ice cream.

Nowhere is this more apparent than at Denny's. The nation's largest chain of family restaurants has been holding steady at about 1,300 units, but there's been a lot of change within the system nonetheless—change designed to make existing Denny's restaurants more competitive in their respective markets. Parent TW Holdings Inc., based in Spartanburg, NC, has been revamping its family restaurants since it acquired them in 1987. An ongoing remodeling program, for instance, saw 140-plus restaurants getting a face-lift last year, at a cost of about $150,000 per restaurant. Remodeling includes landscaping and other exterior work, as well as interior additions such as new wallpaper and ceiling fans. According to the company, remodeled restaurants are showing sales increases of about 10%.

Other things are happening at Denny's as well, and all are designed to further bolster revenues at existing restaurants. In 1990, three major programs were rolled out systemwide—the 10-minute guarantee; Denny's Til Dawn;

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and a complimentary birthday meal promotion. All occurred on the heels of the chain's revamping its menu format to include color food photographs—a vastly improved, more marketing-savvy technique when compared with Denny's old type-only menu.

With a keen eye on fast food's ever-widening menu options and promotional activities, Denny's 10-minute service guarantee at breakfast and lunch became a permanent program at all Denny's restaurants last year. First tested in 1989, the program provides free meals if diners do not receive their orders within 10 minutes of placing them. Providing the guarantee is Denny's way of attracting customers who would otherwise frequent fast-food restaurants when their time to eat is short, which is usually the case during the breakfast and lunch meal periods. Servers use stop watches to track the time it takes for a meal to be prepared and served.

Denny's Til Dawn represents the chain's attempt at strengthening its late-night business, specifically the hours between 10 p.m. and 5 a.m. During those hours Denny's regular all-day menu is available, of course. But an additional half dozen or so entrees are also in evidence. Priced in the range of about $3 to $8, the late-night offerings are not as price sensitive as daytime offerings, largely because late-night customers are a bit less price sensitive themselves. The Denny's Til Dawn program is, in fact, management's attempt at picking up some business from competing casual-theme operators. Radio spots support the late-night dining program, as the medium is best suited to attract those people who are out for the evening and usually in their cars.

Family dining is driven largely by price/value.

Shoney's offers a 24-piece shrimp dinner for $4.99.

BIRTHDAY PROMOTION After a 250-unit test, Denny's free birthday meal promotion has also become a permanent fixture at all the chain's units. Available at lunch and dinner, the program offers free meals to those who can prove it's their birthday. Since the birthday celebrant is usually accompanied by friends or family, Denny's free meal offer draws new business every day of the year.

Denny's has been performing well under TW Holdings. Revenues were up 10% last year, to $1.4 billion, and operating income rose a whopping 30%, from $101.7 million in 1989 to $131.8 million in 1990. Both the chain's average check (now $4.14) and customer traffic were up 4.1% last year. Where expansion is concerned, it's unlikely that the debt-burdened TW Holdings will soon be able to develop new restaurants. Instead, management will continue remodeling restaurants and seeking franchisees to expand the Denny's chain. Last year, in fact, Denny's saw a net increase of 29 new franchised restaurants within the system.

Speaking of franchising, Shoney's Restaurants, the family restaurant division of Nashville, TN-based Shoney's

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Inc., hopes to buck the prevailing trend of slow expansion and show significant growth over the next five years. But due to a $700 million-plus recapitalization three years ago, the still debt-laden operator is relying on franchisees to open new restaurants and new markets.

Now at 760 family restaurants, Shoney's has indeed been adding new units to the fold as of late. Forty new family restaurants were added last year, nearly two thirds of which were franchised, and the company hopes to see at least 50 more restaurants open next year, probably more than that. With that sort of new unit expansion on the board, Shoney's would be the fastest growing family chain around—which is precisely what CEO Leonard Roberts would like to see.

With an average restaurant generating about $1.5 million in annual sales, Shoney's units outpace Denny's unit sales by about $300,000. According to Shoney's, newly developed restaurants (which cost more than $1 million to build) are doing much better than that, at about $1.9 million in revenues a year. Based upon that figure, Shoney's sales-to-investment ratio for restaurants opened during fiscal 1990 was 1.8, an extremely attractive performance compared with the industry overall.

Shoney's marketing vice president, Jeff Sowell, says that there's more than just unit expansion on the company's mind, however. For instance, Shoney's is now readying a new menu rollout, just one year after the chain had its last menu change. Items that are usually added to the Shoney's menu are those which have been successfully promoted at least a couple of times. Possible additions to the chain's menu this time around are a 24-piece shrimp dinner priced at $4.99, and a chicken stir-fry dinner for about $5.99.

"It's very important that we keep the menu fresh and current," says Sowell. "After all, it's our most important marketing tool, and we can't afford to let it get stale."

IHOP's salad line is aimed at expanding out of the breakfast daypart.

For about a year, Shoney's restaurants have been offering an all-you-can-eat seafood buffet on Friday and Saturday nights; in fact, the buffet began as a periodic promotional program. For an average price of $8.99, the seafood buffet offers shrimp and other fish items, along with an all-you-can-eat salad bar. The seafood buffet is not a surprising move for Shoney's, however. After all, in the early 1980s Shoney's was a leading force behind popularizing the all-you-can-eat breakfast buffet. Even today, in fact, the breakfast buffet generates about a third of Shoney's sales.

Several chains feature all-you-can-eat buffets.

"Value is a key element to this business," says Sowell, "and we think the buffets represent a tremendous value."

Asked whether Shoney's views casual-theme restaurants as a direct competitor, however, Sowell says he views the chain more narrowly than that. "Our direct competitors are restaurants like Denny's," says Shoney's marketing

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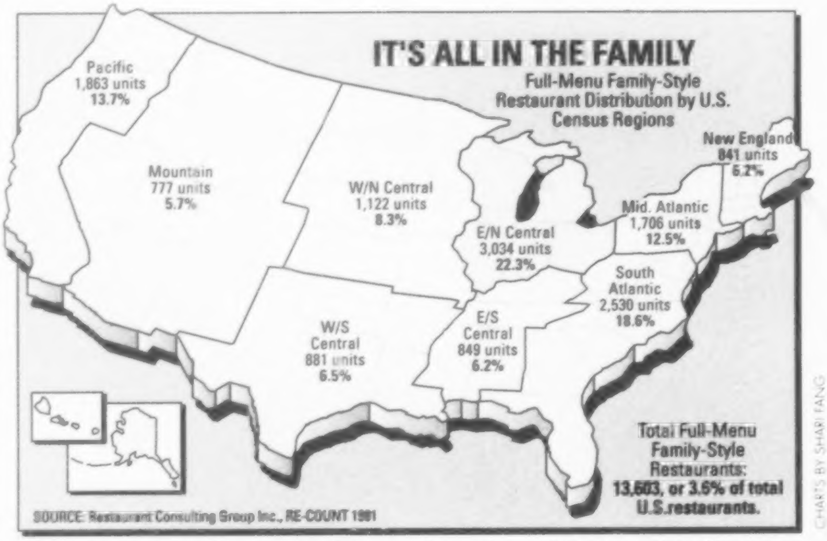
chief. "They're not restaurants like Chili's. The additions that we're making to our menu are to keep our restaurants fresh, not to go after new markets."

Indeed, Shoney's continues to stress its family-style roots. Like a few other family restaurant chains, among them Denny's, Perkins Family Restaurants, and JB's Restaurants, Shoney's is in the midst of testing pie shops in its restaurants. Now being tested in about 10 company stores and seven franchised outlets, Shoney's pie shops offer fresh-baked pies for take-out, priced $4.99 to $6.79. Sowell says that it's still too early to tell whether the pie shops will be rolled out systemwide, however. "We're evaluating sales," he says. "It's still in the concept stage."

When former Arby's chief Leonard Roberts joined Shoney's as CEO last year, he made it clear that building a national presence was key to his plan. Shoney's family restaurant division, says Roberts, can be a national powerhouse within five years. There's a lot riding on the family restaurants, too. They accounted for 47% of Shoney's Inc.'s revenues last year, and that equation isn't likely to change much anytime soon.

Quality service is the segment's edge over fast food.

Next to Shoney's, about the only big family restaurant chain opening many new units nowadays is Cracker Barrel Old Country Store. The Lebanon, TN-based operator runs stores that are part restaurant and part gift shop. Having opened 18 new restaurants last year on a base of just 88, the company plans to continue its growth by adding another 21 units this year. Recently a unit opened in St. Louis, the first time Cracker Barrel has crossed the Mississippi. The chain will add yet another new market this year, Wisconsin. Practically all Cracker Barrel stores are located on or near interstate highways; over half the chain's customers are travelers. So tuned into the needs of the traveling public is Cracker Barrel, in fact, that a recent addition to the restaurants was a diaper-changing station in women's rest rooms.



IT'S ALL IN THE FAMILY

Full-Menu Family-Style Restaurant Distribution by U.S. Census Regions

Total Full-Menu Family-Style Restaurants: 13,603, or 3.6% of total U.S.restaurants.

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1991

CHARTS BY SHARI FANG

TOP OF THE HEAP. Cracker Barrel's current stable of 110 units may not bring it anywhere near the size of other big family chains, but with unit volumes now averaging over $2.9 million, the Southern chain is the hands-down leader in unit sales. No other chain in the family market segment even comes near Cracker Barrel. Marie Callender's and Bakers Square are close, with average annual unit volumes of $1.6 million.

"We've been very fortunate," says Cracker Barrel's marketing vice president, O.E. Philpot.

Fortunate is not quite the word that comes to mind regarding Cracker Barrel, but smart might be. The Cracker Barrel concept, which melds a down-home restaurant with reasonably priced gifts for tourists, seems the perfect stopping place for travelers. In fact, very little about the concept has been changed for some time. Even now, while other family restaurant chains are moving toward the pie shop concept inside their units in order to bolster sales, Cracker Barrel has no such plans in mind. (The chain does, however, offer whole pies for sale, and those are baked on the premises.) Cracker Barrel has also eschewed the all-you-can-eat buffet in favor of an all-table-service operation.

Like many of its peers, Cracker Barrel was once known for its breakfasts. But that has changed quite a bit. In fact, Cracker Barrel today is credited with having developed a solid business across all three dayparts, and for a family restaurant chain it is particularly strong during the dinner period.

Cracker Barrel's menu—which has come to include grilled fish and chicken tenders, lunch salads, and complete dinner plates for about $5—doesn't change often. Instead, managers are allowed to add daily specials on a unit-by-unit basis, depending on what is available locally. Marketing and promotional efforts tend to be confined to the units, relying on posters and table tents. Gift shop items account for a full 20% of revenues.

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"The price and the value is very good and very competitive, we think," says Philpot. "A dinner plate with meat, two vegetables, and bread for $5.19 is right in line with fast-food prices."

Glendale, CA-based International House of Pancakes is among those family restaurant chains whose primary focus is bolstering performance at existing units. Though the company opened 14 new restaurants last year, it also closed 13 older models, netting the chain just one new restaurant in 1990.

"Our whole strategic direction today is based on generating more profit at the unit level," says Steve Pettise, marketing vice president for IHOP. "It's a real squeeze out there today." In order to assist IHOP franchisees, the company stresses cooperative buying programs and other efficiencies to lower costs, and it has gone forward with a menu consolidation plan. "Nothing is sacrosanct," says Pettise. "If something doesn't work well or if a menu item isn't doing what it's supposed to do, we'll make a change." Indeed, IHOP's menu, which at one point included some 150 items, has been culled to around 105 offerings.

Culling is not all that's being done to the IHOP menu, however. In fact, a couple of important things are being added throughout the chain. IHOP is now in the middle of rolling out Belgian waffles. Currently there are about 175 IHOP restaurants that offer the new item, and the rollout should be completed by the first quarter of next year. There are two types of Belgian waffles: One is buttermilk-based, the other is called Harvest Grain and Nut. A breakfast and late-night item, the waffles are priced from $3.49 to $3.79 plain; fruit, ice cream, and other toppings are extra.

Dinner continues to be a focus as well. IHOP has expanded its Homestyle Menu to include 12 items. Executed on a regional basis, Homestyle meals can include meat loaf, pot roast, chicken pot pie, and pork chops, and are priced between $4.99 and $6.99. A new baked chicken dinner has also been tested and is now ready for national rollout. All dinners are served with soup or salad, potato, vegetable, and a roll. Franchisees are also given the flexibility to add regional dishes.

Remodel programs are upgrading chain images.

Dinner, however, remains a relatively modest portion of IHOP's business, accounting for anywhere from 15% to 20% of revenues. And even then, as much as 60% of dinner sales are likely to be from breakfast or lunch items. "The typical dinner here consists of dad getting a steak, mom a salad, and the kids pancakes," says Pettise. IHOP is just now, in fact, rolling out a separate children's menu with offerings for all

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Country Kitchen's new prototype is designed to look like a 100-year-old farmhouse.

Not neglecting pancakes: IHOP's new line of syrups.

three dayparts. And it continues to attract children with its popular pancake characters, which are either sold or given away free at the restaurants.

Having entered the year with around 490 units, IHOP hopes to reach a total of 503 restaurants by the end of 1991. Already 10 units have opened this year. IHOP's current design is about twice the size of its old A-frame building, and consists of about 154 seats. By the end of this year, says Pettise, about 100 IHOP restaurants will be of the newer, larger variety.

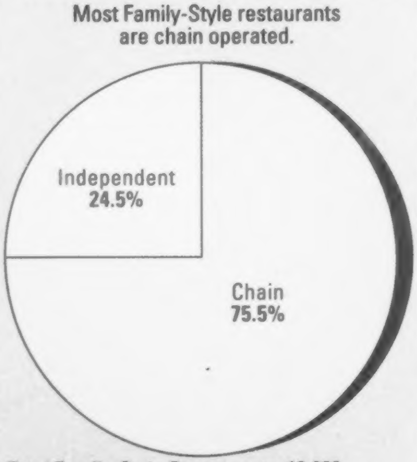
CYCLES OF CHANGE. At Country Kitchen International, owned by Minneapolis-based Carlson Co., the menu has been changing rapidly. The 250-unit chain goes through two menu cycles a year, and adds and subtracts a half dozen items per cycle. In the past two years, a full 50 menu items have been changed.

Oftentimes, however, a menu change can mean offering the same item in different ways. Chicken, for instance, was once prepared fried only, though now a complete line of chicken dinners is offered.

For promotional items, Country Kitchen has been leaning hard on desserts, specifically its Sweet Memories line. Priced at $1.99, the Sweet Memories desserts combine well-known snack products mixed with ice cream. Having started with four items in the line, the chain will add another eight this year, largely as holiday promotions.

CHAINS HAVE THE EDGE

Most Family-Style restaurants are chain operated.



Total Family-Style Restaurants: 13,603

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1991

Country Kitchen, like a lot of other family restaurants, would like to see even more of a shift away from its breakfast stronghold. Marketing vice president Jon Ostrov says that, though breakfast once accounted for half of sales, the chain hopes to reach an even breakdown between all three meal periods this year. Country Kitchen hopes to do this by offering more trendy items like fajitas, "things that don't say coffee shop," says Ostrov.

Country Kitchen already prices its dinners as high as $8.95, though Ostrov says that the company is working on some items that could break the $10 barrier. The chain has also embarked on a remodeling and expansion program aimed at lessening the restaurants' identification with coffee shops. This past summer the first new model opened in New Jersey. A modular design that can be expanded as needed, the restaurant is designed to look like a 100-year-old farmhouse.

MARRIOTT EXIT. By the time Marriott Corp. finalizes its sale of 120 family restaurants to Irvine, CA-based Restaurant Enterprises Group Inc., there will be only 100 Marriott-owned Big Boys left, the majority having earlier gone to Elias Brothers, a longtime Big Boy operator. All of Marriott's Big Boys are in the Northeast, and all are for sale. Once they're sold, Marriott will have finally completed its exit from family dining.

Jon R. Jameson, vice president of marketing for Marriott Family Restaurants, says that the Northeast (and to some degree the Midwest) is a tougher audience for family restaurants. "I think that we need to take the concept out of the family restaurant category and bring it closer to the image of a diner," says Jameson of the category's ability to grow in the Northeast.

Whether or not this is so, now does not appear to be the time for expansive growth in the family sector. On the other hand, when the economy does improve, family restaurants will be well poised to capitalize on their highly developed reputation for value. **RB**